Home Insecurity:
Foreclosure Growth in Ohio 2011

A Report From

Policy Matters Ohio

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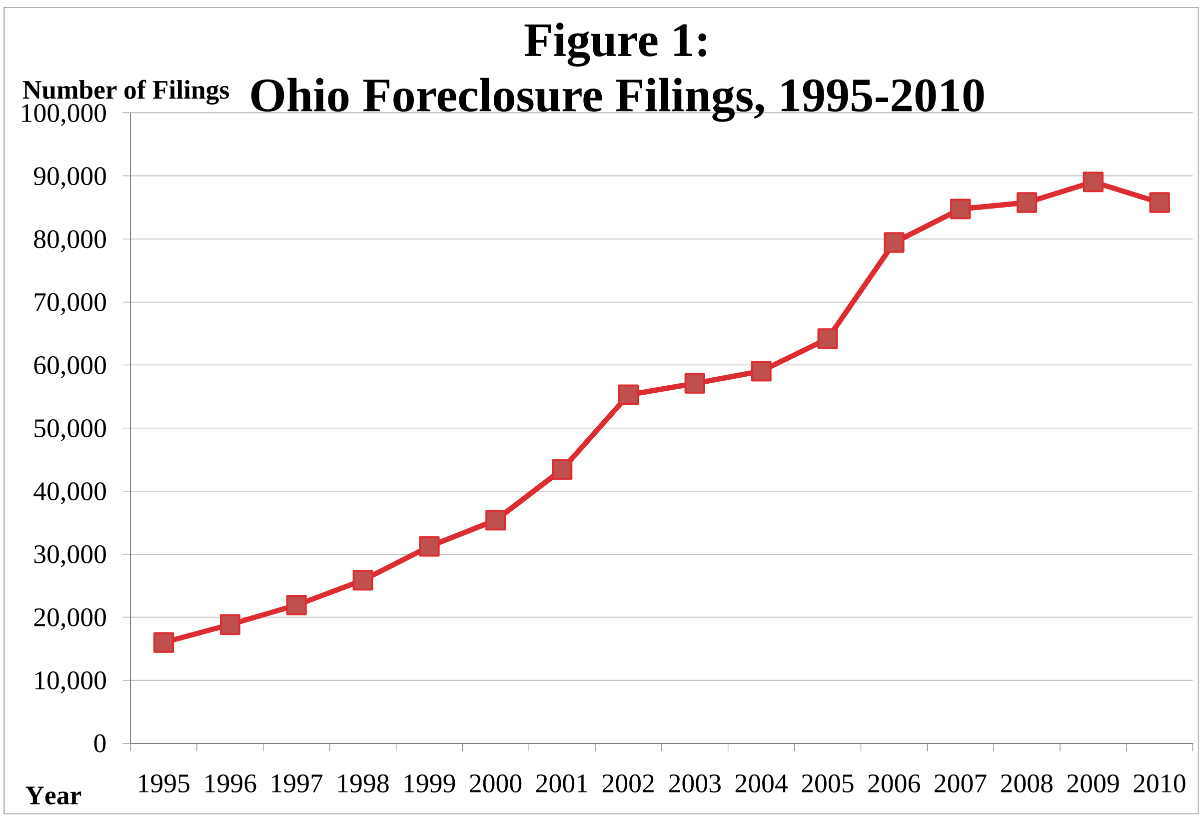
Policy Matters Ohio, the publisher of this study, is a nonprofit, nonpartisan policy institute dedicated to researching an economy that works for Ohio. Policy Matters seeks to broaden debate about economic policy by doing research on issues that matter to working people and their families. With better information, we can achieve more just and efficient economic policy. Areas of inquiry for Policy Matters include work, wages, education, housing, energy, tax and budget policy, and economic development.

For the first time in fifteen years, Ohio experienced a slight decrease in new foreclosure filings in 2010. While Ohio set a new foreclosure filing record last year, topping 89,000 filings, new filings for 2010 were at 85,483. What began as mostly an urban problem in the mid 1990s, has erupted into triple-digit ten-year growth rates in every Ohio county. This represents a major and ongoing blow against families' main source of savings and against stability. This report analyzes the new foreclosure filings statistics in Ohio along with some of the latest developments in foreclosure prevention efforts. It ends with recommendations to better assist individuals, families and communities in becoming more stable.

Data analysis

Ohio foreclosure filings slightly declined last year by 4 percent. In 2010, there were 85,483 new foreclosure filings compared to 89,053 filings in 2009.[1] This decrease in new foreclosure filings breaks a steady trend of increases in foreclosure filings every year and it comes at a time when more federal and state resources than ever were put toward mortgage modifications. The number of foreclosures in the state has been and remains at crisis levels. Since 1995, the number of filings has at least quadrupled in 81 of Ohio's 88 counties and has more than quintupled statewide (see Figure 1). Filings grew in 30 of Ohio's 88 counties in 2010. There was one foreclosure filing for every 59 housing units in the state, compared to one for every 56 in 2009.



Source: Ohio Supreme Court, Policy Matters Ohio review of filings in U.S. district courts. Data include federal filings beginning in 2004. Few such filings were made in previous years, and none were counted for 2008, 2009, and 2010. See data note, p._)

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[1] See note on the data at the end of the report. The increase shown here differs from the figure provided by the Ohio Supreme Court for all years but 2008, 2009, and 2010 because this report also includes filings in the federal courts.

For the fifth year in a row Cuyahoga County topped the list of foreclosures per 1,000 people (10.05) and overall new foreclosure filings (12,825). It was followed by Preble (9.27) and Brown (9.25). Lucas County (9.13) fell from second to fourth. The most notable increase occurred in Noble County, which moved from 86th to fifth. Filings per 1,000 persons in Noble County increased from 2.23 in 2009 to 8.8 in 2010. More than half of the counties, six, were on the also list in 2009.

The number of foreclosure filings is extremely high in urban, rural and suburban counties alike. However, in the last three years, urban counties no longer totally dominated the list of hardest-hit counties. Among the top ten counties in filings per person in 2010 were five large urban counties, while in 2007 large urban counties held nine of the ten spots for highest foreclosure filing levels.

Table 1

Foreclosures Per 1,000 Population, Top 10 Counties, 2010

Counties	2009 Population	2010 Filings	Filings per 1,000 Population
Cuyahoga	1,275,709	12,825	10.05
Preble	41,422	384	9.27
Brown	44,003	407	9.25
Lucas	463,493	4,232	9.13
Noble	14,311	126	8.80
Montgomery	532,562	4,673	8.77
Butler	363,184	3,166	8.72
Knox	59,637	502	8.42
Morrow	34,642	291	8.40
Franklin	1,150,122	9,649	8.39

Source: Ohio Supreme Court, U.S. Census Bureau. The population data is based on 2009 population because 2010 population data was not yet available as of the date of this report.

While urban counties still have comparatively high foreclosure rates, foreclosure filings are growing more quickly in counties that are less urban. None of the counties with the top 15 fastest-growing foreclosure rates had populations above 100,000 people. Muskingum, with a population of 84,884, had a 17 percent growth rate and the largest population among the fastest-growing counties. Noble, with a population of 14,311, had the smallest population among a county with especially high foreclosure growth rates in 2010. Filing growth tends to be spread among different counties from year to year. The highest growth counties in 2010 were different from the list in 2009. For instance, Morgan County, which saw the fastest growth in 2009, fell to 86th in 2010. In 2010, Noble County saw the largest foreclosure growth with a 293 percent increase from 2009 despite being ranked 81st in growth from 2008 to 2009.

With the exception of Noble and Morrow, the counties with the greatest growth differed from those with the highest rates. This difference between counties with the highest rates and greatest growth repeats the pattern from the past five years. As opposed to the past two years where the fastest foreclosure growth rates were in Appalachia and Northwest, the fastest growing counties in 2010 were primarily in the Southern or Central regions of the state (see Table 2).

Table 2 **Fastest Growing Foreclosure Rate, 2009-2010**				
County	**2009 Filings**	**2010 Filings**	**Change 2009-2010**	**Area of Ohio**
Noble	32	126	293.8%	Southeast
Gallia	82	113	37.8%	South
Hocking	166	201	21.1%	South
Morrow	242	291	20.3%	Central
Muskingum	450	530	17.8%	Central
Pike	104	121	16.4%	South
Belmont	228	265	16.2%	East
Harrison	70	81	15.7%	East
Defiance	198	225	13.6%	Northwest
Holmes	103	117	13.6%	Central
Wyandot	107	121	13.1%	Central
Knox	453	502	10.8%	Central
Jefferson	308	338	9.7%	East
Putnam	100	109	9.0%	West
Seneca	331	355	7.3%	North

Source: Ohio Supreme Court, U.S. Census Bureau

The ten biggest urban counties saw the combined number of new foreclosure filings slightly decrease to 52,174 from 54,524 in 2009. These counties, all with populations over 235,000, accounted for 60 percent of filings in Ohio last year but represented only 53 percent of the 2009 population. Only three of the ten biggest urban counties saw an increase in foreclosure filings. Mahoning (3.65%), Franklin (1.85%), and Butler (under 1%) counties saw slight increases in foreclosures from the previous year. Only Stark County (6.72) had a lower foreclosure rate per 1,000 people than the state average (7.41). All of the urban counties but Montgomery and Mahoning experienced triple-digit foreclosure growth in the last ten years. Of all the urban counties, Butler saw the largest ten-year growth in foreclosure filings with more than 165 percent. In 2010, Lorain and Cuyahoga experienced one-year declines of 11.5 and 9.5 percent, respectively. Table 3, below, shows 2010 foreclosure filings in Ohio's ten largest counties and increases since 2000:

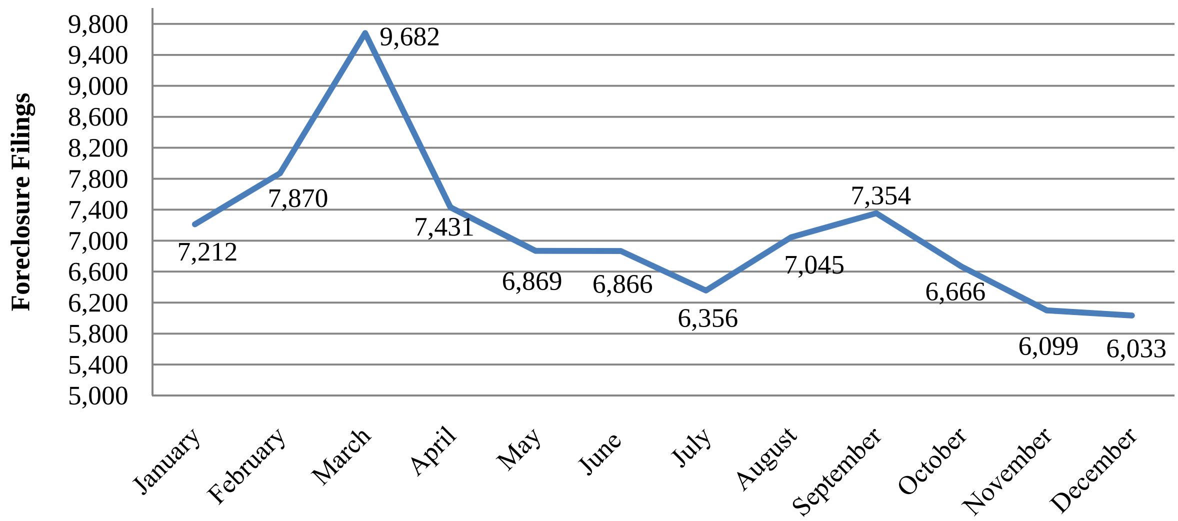
Table 3 Foreclosure Filings Per 1,000 Population- Largest Counties, 2010						
	2009 Population	**2000 Filings**	**2010 Filings**	**Percent Change, 2000-2010**	**Percent Change, 2009-2010**	**Filings Per 1,000 Population, 2010**
Cuyahoga	1,275,709	5,900	12,825	117.4%	-9.50%	10.05
Franklin	1,150,122	3,832	9,649	151.8%	1.58%	8.39
Hamilton	855,062	2,770	6,556	136.7%	-2.35%	7.67
Summit	542,405	1,851	4,320	133.4%	-6.76%	7.96
Montgomery	532,562	2,457	4,673	90.2%	-0.64%	8.77
Lucas	463,493	1,883	4,232	124.7%	-5.77%	9.13
Stark	379,466	1,247	2,549	104.4%	-5.59%	6.72
Butler	363,184	1,193	3,166	165.4%	0.13%	8.72
Lorain	305,707	938	2,385	154.3%	-11.54%	7.80
Mahoning	236,735	925	1,819	96.6%	3.65%	7.68
Totals	6,104,445	22,996	52,174	126.9%	-3.7%	8.55

Source: Ohio Supreme Court, U.S. Census Bureau, Policy Matters Ohio review of filings in U.S. district courts. The population data is based on 2009 population because 2010 population data was not yet available as of the date of this report.

Foreclosure filings varied from month to month in 2010 as Figure 2 shows, with a state average of 7,124 filings per month. For the second straight year, filings spiked in March with a total of 9,682 new filings. Noble County, which had the largest foreclosure filing growth rate, recorded 92 of its 126 filings in March. The lowest recorded filings were in December with a total of 6,033 new filings. Notably, each of the three months following September saw a decrease in foreclosure filings following the “robo-signing” controversy. Several of the largest lenders and servicers including GMAC and JP Morgan Chase announced in the summer of 2010 that they were postponing filing new foreclosures because of document errors that included improper signing of legal forms.[2] Had this legal and political controversy not ensued, it is likely that foreclosure filings in Ohio would have continued to increase in 2010.

[2] Elizabeth Shell. “The Road to Robo-Signing” PBS Newshour (October 28, 2010):http://www.pbs.org/newshour/rundown/2010/10/faulty-paperwork-lending-institutions-have.html.

Figure 2:
Ohio Foreclosure Filings by Month, 2010



Source: Ohio Supreme Court

Additional mortgage trends

Other indicators of housing foreclosures and mortgage delinquencies imply a grim picture for Ohio. Ohio's national ranking in new foreclosures has fallen somewhat over the last three years, but the state remains among the most troubled according to the latest survey by the Mortgage Bankers Association, conducted in the third quarter of 2010.[3] The survey found that 14.9 percent of all Ohio mortgages are either actively in foreclosure or past due in their payments by at least 30 days, an increase of 30 percent from 2007. The survey also found that new foreclosure proceedings were started on 1.36 percent of home loans, ranking Ohio twelfth in the nation. That percentage was up from 1.21 percent in the same quarter a year earlier. The survey indicates that other states, particularly in the Sunbelt and North Central region, now have new foreclosure rates higher than those here and the national new foreclosure rate has nearly caught up with Ohio's. However, it also shows that the share of loans in Ohio that are past due remain high. Without intervention this will lead to increased foreclosures. The proportion of past-due loans grew from 7.67 percent in the fourth quarter of 2007 to 10.25 the same quarter just three years later. Those loans where payments were 90 days or more past due grew from 2.01 percent in 2007 to 4.33 percent of the total in the same period three years later. What's more, the average number of days in serious delinquency and of being in foreclosure has increased in the last several years. The mortgage default industry cannot keep up with the new filings and late payments. According to the November "LPS Mortgage Monitor" from the Lender Processing Services, the average days aging on a "90 day plus"

[3] *Mortgage Bankers Association*, "National Delinquency Survey, Third Quarter 2010," (September 2010).

delinquency went from 196 in January of 2009 to 325 days in Nov of 10 and the same measure for foreclosures went from 319 days overdue in January of 2009 to 499 days in November of 2010.[4]

What began as a foreclosure crisis stemming from subprime home and equity loans has expanded to include all kinds of loans in Ohio. Subprime loans continue to be past due (27 percent) at higher percentages than other loans, but other mortgage types are increasingly delinquent. For instance, in the fourth quarter of 2007, 4.91 percent of prime loans were past due compared to 6.16 in 2010. Barring major success with loan-modification efforts, this suggests that the number of foreclosures in Ohio will remain high. This echoes the concerns of HUD foreclosure counselors whose intake sheets more commonly find prime loans in different stages of default and foreclosure than in previous years.[5]

Data on home equity in Ohio is even more troubling than the current foreclosure statistics. According to the third quarter 2010 report by First American Core Logic, Ohio ranks sixth in the total number of home mortgages with negative or near-negative equity. Thousands of Ohioans are in homes that are worth less than what they purchased them for. More than 578,000 Ohio mortgages are “under water”, with debt exceeding current value (see Figure 3).[6] In percentage terms, more than 26 percent of home mortgages in Ohio have near or negative equity, ranking Ohio fifth in the country in this category. The loan-to-value ratio in Ohio is more than 75 percent, meaning that Ohio mortgage holders, in total, have less than 25 percent ownership in their home mortgages.[7]

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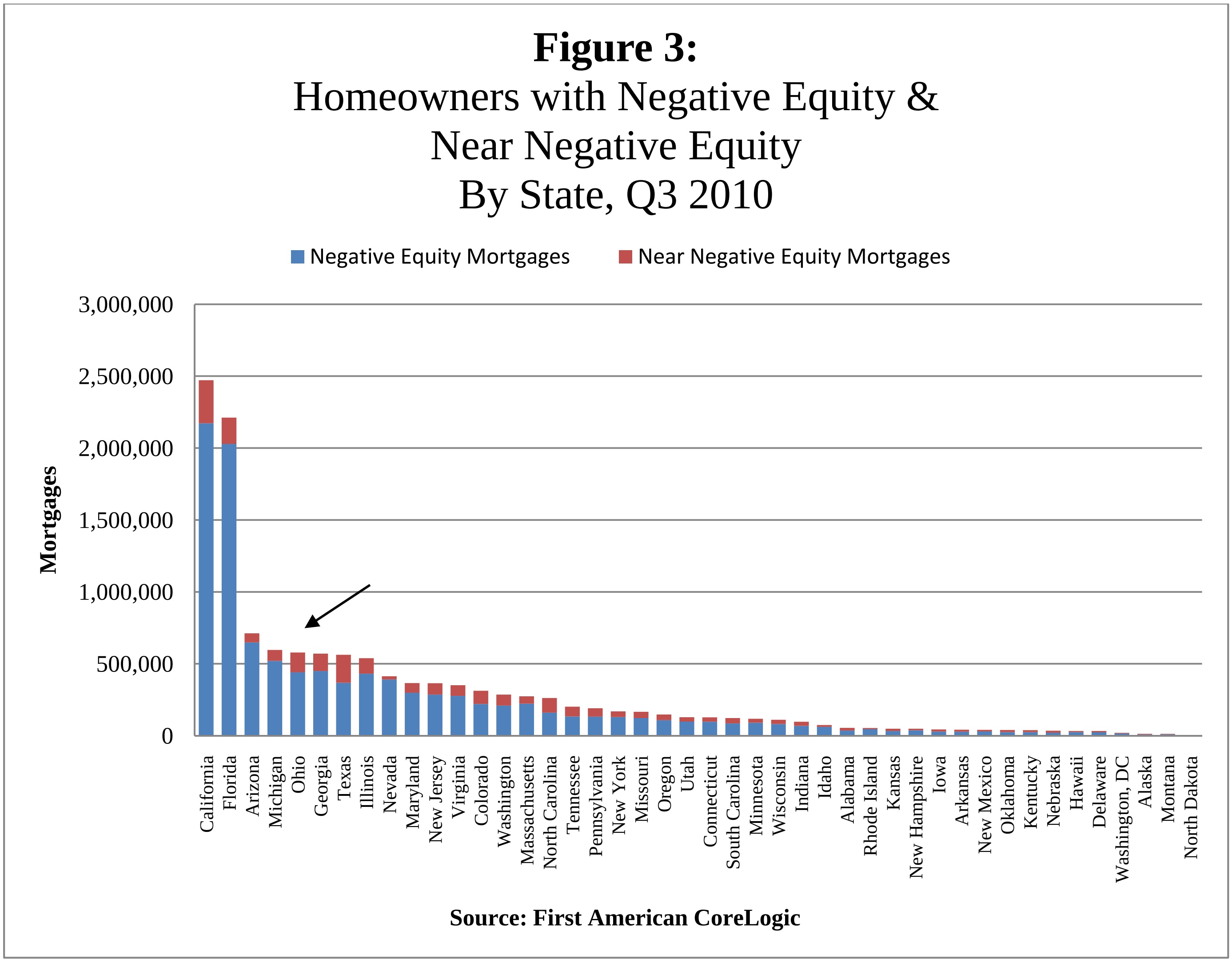
[4] Lender Processing Services, “LPS Mortgage Monitor: December 2010 Mortgage Performance Monitor.” http://www.lpsvcs.com/NewsRoom/IndustryData/Documents/2010%2012%20Mortgage%20Monitor.pdf

[5] Kathy Hexter and Molly Schnoke “Responding to Foreclosures in Cuyahoga County,” *Maxine Goodman Levin College of Urban Affairs* (September 20, 2009).

[6] Nick Timiros “Nearly One in Four Borrowers Underwater on Mortgages” *Wall Street Journal* (February 28, 2010): http://blogs.wsj.com/developments/2010/02/23/nearly-one-in-four-borrowers-underwater-on-mortgage/tab/article/.

[7] These statistics do not take into account homes with no mortgages.



Negative equity poses enormous problems for homeowners because they cannot refinance or sell their homes unless they take a financial loss. Studies are also revealing that homeowner walkways or "strategic defaults" are more common when homeowners are under water by 25 percent or more and in locations with more foreclosures.[8] In a strategic default, homeowners can afford some degree of monthly mortgage payments but choose not to make those payments because of low property value and negative equity in the mortgage. As housing values continue to decline in Ohio, it is unlikely that many of these 500,000 home mortgages will regain positive equity without intervention. Still, most borrowers continue to pay on their mortgage, indicating that well-planned intervention can keep families in their homes.[9]

[8] Luigi Guiso et al. "Moral and Social Constraints to Strategic Defaults on Mortgages" *Chicago Booth/Kellogg School* (July 2009): http://www.financialtrustindex.org/images/Guiso_Sapienza_Zingales_StrategicDefault.pdf. The authors stress that negative equity may be a necessary but not a sufficient cause for strategic defaults. There are moral, social, and financial reasons to avoid default but this working paper investigates how those barriers begin to break down.

[9] Karen Blumenthal. "Underwater Need Not Mean Foreclosure," Wall Street Journal (November 5, 2008): http://online.wsj.com/article/SB122583941535198573.html?mod=WSJ_FamilyFinance_FamilyMoney.

The federal HAMP efforts

The largest federal program to curb foreclosures, the Home Affordable Modification Program (HAMP), does not reveal encouraging results for Ohio.[10] Few homeowners make it from trial modification to final modification stage. According to the HAMP report in July 2010, only 9,559 Ohioans secured a permanent modification to their mortgage. The report lists 5,561 homeowners in active trials. After more than two years of this program, that represents a fraction of the new foreclosure filings and delinquent borrowers in Ohio. Additionally, only 2 percent of new trial modifications under HAMP are in Ohio.

Ohio's efforts to push modifications have increased in the last several years, but the state continues to do less than is needed. Increased notification of resources for assistance, the establishment of a toll-free state hotline, mediation efforts backed by the Ohio Supreme Court and non-binding compacts with servicers for loan modifications were positive steps but have not kept foreclosure filings statewide from continuing to rise. State laws lack the enforcement provisions to mandate that loan servicers participate in mediation or workout efforts. The new federal and state effort, the Hardest Hit Foreclosure Initiative, provided millions of dollars targeting unemployed and distressed homeowners.[11] Early results are promising but three issues continue to hamper current state efforts to help homeowners. First, servicers may not need to comply with federal workout regulations because many are not federally-regulated lenders. Second, funding for housing programs is on the decline, making it harder to help homeowners through community-funded programs. With the state facing a huge deficit in its next budget, it is extremely unlikely that programs will receive increased funding at the state level unless a new mechanism is put in place. Third, divisions remain between servicers, lenders, and federal agencies that have different goals and rules for modifications. These divisions make it hard for a homeowner to receive a loan modification when the participants are not cooperating or have competing interests.

Policy Recommendations

As this and other reports have detailed, no county remains unscathed by housing foreclosures in Ohio. The data indicates that delinquencies and foreclosures will continue to rise and that federal programs have not done enough to reduce Ohio's housing woes. While there is no magic bullet to solve Ohio's grim housing situation, a mix of federal and state policy changes would help to slow housing foreclosures. There are multiple bills in the Ohio General Assembly, each with policy recommendations that would curb foreclosures. Federal programs continue to provide most of the funds directly to banks and lenders rather than homeowners.

Improving federal efforts

The federal government has used several methods to disburse funding to homeowners. The first part of the $75 billion HAMP relief effort was slated to help owners by offering some monetary incentives for servicers who complete workouts and loan modifications or refinancing for properties worth less than mortgages. As shown by the numbers from the HAMP 2010 report, this has not worked well in Ohio.

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[10] *Making Home Affordable Program* "Service Performance Report Through July 2010,": http://makinghomeaffordable.gov/.
[11] http://www.ncsha.org/advocacy-issues/hardest-hit-foreclosure-initiative

The program remains voluntary for lenders and servicers, wrought with technical loopholes and exclusions, and not adequate to reach the number of Ohioans who need help.

A large problem with the federal efforts is their lack of ability to reduce the principal of the mortgage. Instead these programs change the interest rate, create forbearance, or extend the term of the loan. Given the negative equity of nearly one in three Ohio mortgages, these efforts will continue to fall short. However, these federal programs exemplify that there are resources available for states, but there must be flexibility in tailoring funds and programs for specific state needs. What works in states with higher home values is not working in Midwest states like Ohio. **We recommend that the federal government continue to provide funding for the Hardest Hit funds program for Ohio rather than a one-time effort.**

Regulation of loan servicers

When Ohio codified Senate Bill 185 several years ago, legislators regulated the front end of the mortgage lending process and helped prevent predatory mortgage lending. Yet, there are few rules for lenders and servicers as the mortgage process continues after origination. Many servicers of loans are not federally regulated and few banks service their own loans at the local level. There continue to be too few incentives for servicers to modify mortgages when they generate fees from late payments, appraisals, and other actions. There is also no mandatory regulation on loss mitigation, ensuring that servicers are working with the borrower. Servicer regulation would help prevent the “robo-signing” fiasco from 2010 along with ensuring baseline protections like the lender having the right to foreclosure and indicating that the borrower is in default. **We should, at a minimum, require servicers to provide updated information to borrowers about their loan and how to prevent foreclosure, and charge an increased fee to file a foreclosure.** The disconnect between the servicer, mortgagee, and homeowner is a substantial impediment to resolving a foreclosure. The increased fees could go toward housing counseling (see below), addressing vacant and abandoned properties, and dealing with other negative effects of foreclosures.

Counseling and mediation programs for troubled borrowers

One of the most successful efforts in curtailing foreclosures has been having HUD-certified housing counselors assist borrowers in mortgage workouts, short-sales, or other housing options. Housing counselors offer help to bridge the disconnects and divisions in the mortgage modification and foreclosure process. Counselors effectively serve as guides, walking a homeowner through the foreclosure process. Funding for these efforts has already been decreased and faces more uncertainty. The HUD counseling group Empowering and Strengthening Ohio’s People (ESOP), one of the state’s largest and most successful programs for helping homeowners, estimates a cost of $200 to $300 per homeowner.[12] **Given the success rate of counseling and the complications of the foreclosure process to borrowers, we recommend that funding for counseling be increased.**[13]

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[12] See testimony of Mark Seifert to the Senate Finance and Financial Institutions Committee on SB 197 (February 9, 2010).

[13] Kathy Hexter and Molly Schnoke “Responding to foreclosures in Cuyahoga County,” *Maxine Goodman Levin College of Urban Affairs* (September 20, 2009). The report found that four counseling agencies had success rates for homeowners of 50 to 80 percent, depending on the agency and desired outcomes.

The results of mediation are mixed. Many courts in Ohio already refer foreclosure cases to mediation services. A September 2009 research report by the National Consumer Law Center (NCLC) did not find encouraging results from the mediation programs in Cuyahoga and Franklin County. For instance, of the nearly 2,500 cases referred to mediation in Cuyahoga County, less than 250 were settled with a loan workout. The report's data on Franklin County is too sparse to analyze success or failure because it represents such a small fraction of the total foreclosure cases.[14] A 2009 report by the National Foreclosure Mitigation Counseling (NFMC) program released results of a 300,000-household study, finding that homeowners with a counselor were 60 percent more likely to avoid foreclosure compared to those without a counselor.[15] The same study found that counseled borrowers received favorable modifications, reducing their payments by at least $450 per month. As the NCLC report stresses, mediation can be a helpful tool but the devil is in the details. How is the program to be administered? Will the homeowner file or will the process be automatic? What documents and costs does the homeowner see and when? Will the person representing the servicer have the authority to make changes to the mortgage? **Mediation can be an effective tool for curbing foreclosure but it must be coupled with adequate counselors.** [16] **Given the very strong record that counseling has brought about, we recommend an expansion of federal and state resources for counseling, with program design consistent with that recommended in the NCLC study.**

Non-owner occupied foreclosures

Policy Matters reported earlier on the problem of renters being evicted or not notified about their rental housing going through foreclosure.[17] The Policy Matters study found that rental properties accounted for nearly 30 percent of residential foreclosure filings in Cuyahoga County in 2007, and that foreclosures on rental properties increased 29 percent in the county from 2006. The study found costs of more than $2,500 for displaced tenants, two-thirds of whom were forced to leave their homes and live with family members and friends despite being current on rent and in good tenancy. An update from the Cleveland Tenants Organization at the end of 2010 found a record number of calls for help from renters facing foreclosure-related evictions.[18] The federal Protecting Tenants in Foreclosure Act of 2009 attempted to address the concerns of eviction and notification for tenants but it lacks the strong notification component, enforcement, and longevity of a state law (it currently sunsets in 2012).[19] Specifically, in 2009, the Fannie Mae program after ten months of existence, helped only 300 tenants stay in their homes through a rental foreclosure new lease program, according to their program director.[20] Tenants deserve adequate notice and protections when a foreclosure occurs on their rental unit. **We recommend that Ohio enact a tenant protection law with better provisions for notification and enforcement.**

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[14] *National Consumer Law Center* "State and local mediation programs: Can they save homes?" (September 2009): http://www.consumerlaw.org/issues/foreclosure_mediation/content/ReportS-Sept09.pdf.
[15] Neil Mayer et al. "National Foreclosure Mitigation Counseling Program Evaluation" *Urban Institute* (November 2, 2009): http://www.urban.org/publications/411982.html.
[16] See testimony of Margaret E. Monroe Miller, JD to the Senate Finance and Financial institutions Committee on SB 197 (February 9, 2010).
[17] David Rothstein. "Collateral Damage: Renters in the Foreclosure Crisis." *Policy Matters Ohio* (June, 2008). http://www.policymattersohio.org/CollateralDamage2008.htm.
[18] Cleveland Tenants Organization, 2010 Annual Report.
[19] Ann Fisher "Don't keep renters in the dark on foreclosures," *Columbus Dispatch* (February 9, 2009); *Akron Beacon Journal* "Three days, and you're out," (February 17, 2009): http://www.ohio.com/editorial/opinions/39699322.html.
[20] Mary Kane "Renters lost in shuffle in anti-foreclosure effort," *Washington Independent* (November 20, 2009): http://washingtonindependent.com/68464/renters-lost-in-the-shuffle-in-anti-foreclosure-efforts.

Bank walkaways

An increasing number of foreclosure filings are initiated by the loan servicer but never result in a transfer of property after a court judgment and sheriff's sale. The term "bank walkaway" is commonly used to describe situations where the plaintiff gets a judgment from the court but fails to execute on the judgment, leaving the property unmarketable and with no owner. The former homeowner is often under the assumption that the home title is transferred to the lender or sold at auction, only to find later that they are still listed as the legal owner of record. This situation, often called a "toxic title" or "zombie loan", frustrates local communities because the properties sit vacant and abandoned, largely unable to be sold or rehabilitated.[21] **Ohio should enact a provision that requires a timetable after foreclosure judgment to either take the property to sheriff sale, work out a new deal with the borrower, or remove the judgment lien from the record of title**.

In 2010, U.S. Senator Sherrod Brown commissioned the Government Accountability Office to study the scope and depth of the bank walkaway problem.[22] The study found a disproportionate number of bank walkaways in Ohio, Michigan, and Florida compared to other states. The report stated,

"Although abandoned foreclosures occur infrequently, the areas in which they were concentrated are significantly affected. Vacant homes associated with abandoned foreclosures can contribute to increased crime and decreased neighborhood property values. Abandoned foreclosures also increase costs for local governments that must maintain or demolish vacant properties. Because servicers are not required to notify borrowers and communities when they decide to abandon a foreclosure, homeowners are sometimes unaware that they still own the home and are responsible for paying the debt and taxes and maintaining the property."

In 2011, the Center for Urban Poverty and Social Change released a report specific to northeast Ohio identifying bank walkaways as more likely to be vacant, tax delinquent, and demolished.[23] Specifically, 56 percent of the 999 the stalled foreclosure cases could be considered bank walkaways where the property did not make it to sale. These two reports indicate that bank walkaways are a serious issue in Ohio, perhaps more so than in other states.

Foreclosure Rescue Scams

Sincere efforts to help homeowners by counselors, mediators, and lenders are being abused by groups who prey on troubled borrowers with false claims of securing new mortgages, reducing payments, or eliminating financial debt. Most fraudulent companies charge an up-front or monthly fee for their services with little return or contact after payment. The fees can range from $500 to $3,000, and in some cases the borrower can sign over the title to their home. The other harmful practice is that the companies often tell borrowers not to work with their servicer, lender, or any other counseling agencies during the process.[24] The Ohio Attorney General and federal agencies are pursuing some of these individuals and groups but there is currently no state law that carries the proper provisions and enforcement mechanisms to deal with

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[21] There have been a great deal of recent media articles on the subject of bank walk away situations. See, for instance, Susan Saulny "Banks starting to walk away on foreclosures" *New York Times* (March 30, 2009); Sandra Livingston "Bank 'walkaways' from foreclosed homes are a growing, troubling trend," *Cleveland Plain Dealer* (July 19, 2009): http://blog.cleveland.com/metro/2009/07/bank_walkaways_from_foreclosed.html; Ken McCall "Drop in foreclosure called 'very scary,'" *Dayton Daily News* (October 17, 2009): http://www.daytondailynews.com/news/dayton-news/drop-in-foreclosures-called-very-scary-352689.html.

[22] Government Accountability Office. "Mortgage Foreclosures: Additional Mortgage Servicer Actions Could Reduce the Frequency and Impact of Abandoned Foreclosures." GAO-11-93 (November 15, 2010): http://www.gao.gov/products/GAO-11-93.

[23] Michael Schramm et al. "Stalling the Foreclosure Process: The Complexity Behind Bank Walkaways," Center on Urban Poverty and Social Change, Mandel School of Applied Social Sciences (February 7, 2011).

[24] *National Consumer Law Center* "Desperate Homeowners: Loan Mod Scammers Step in When Loan Servicers Refuse to Provide Relief," July 2009.

this predatory lending practice.[25] **Given the number of troubled homeowners, Ohio should pass a strong state law forbidding this practice and banning up-front fees.**

As foreclosures continue to devastate communities and homeowners, **the Ohio legislature should pass reforms to encourage real loan modifications, protect tenants, and reduce the foreclosure filing rate**. There is no panacea for this crisis but the current state and federal structures for mitigating foreclosure are wrought with loopholes, exemptions, and dead ends that make it nearly impossible to fend off foreclosure. Even with increased federal and state attention to the issue, foreclosures continue to increase and are not tied solely to subprime or alternative home loans. As a whole, the Mortgage Banker Association numbers show that almost one in six Ohio homeowners with mortgages was delinquent or already in foreclosure. Since 1995, the average Ohio county saw more than a 400 percent increase in foreclosure filings, with most of the urban counties at higher percentages. Rural and suburban counties continue to see large year-to-year growth since 2006. No area remains unaffected by housing foreclosures. Ohio cannot afford to wait for federal plans to funnel downward. More state action is urgently needed.

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[25] Sheryl Harris "Ohio Attorney General shuts down foreclosure rescue scam, "*Cleveland Plain Dealer* (May 4, 2009): http://www.cleveland.com/consumeraffairs/index.ssf/2009/05/ohio_attorney_general_shuts_do_2.html.

A note on the data

There is no perfect measure of foreclosures; the filing data in this report capture the process at one stage, but do not exactly measure the number of families that lose their homes to foreclosure. This report uses data from the Ohio Supreme Court and information compiled by Policy Matters Ohio from the two federal district courts in Ohio. The Supreme Court data are filed by county common pleas courts. They are consistent from year to year, allowing a comparison over time and between Ohio's counties. As described below, while previous years' data include federal filings, there are none included in 2009 and 2010. Our previous report included nine federal cases, which are not included in the 2008 numbers for this report.

The Ohio Supreme Court's reporting of foreclosure filings includes an unspecified number of non-mortgage foreclosure cases, including delinquent tax foreclosures and others. It also includes double filings that occur if bankruptcy interrupts the process, or if a lender uses the threat of foreclosure as a collection mechanism several times against one borrower. Nonmortgage filings and double filings have not been eliminated from the data. All foreclosure data in this report are for filings. Not all filings lead to actual foreclosures, in which borrowers lose title to their property. On the other hand, filing statistics do not cover all cases in which homeowners lose their property, such as cases in which they give the title back to the lender and walk away from the home.

Policy Matters began compiling federal filings made as of 2004; such cases were not filed in large numbers previously. After growing significantly, in late 2007, the flow of such cases slowed to a trickle, and the number has not picked up again since. Fewer than 100 were filed in 2008 and less in 2009, and most of those were removed from state courts or cases that had been filed previously and were being reopened (such cases were excluded in our tabulations of federal filings from earlier years). The small remainder included commercial disputes such as alleged non-payment to contractors, filings by the U.S. government for payment in cases of deceased homeowners and a handful of cases by borrowers claiming mistreatment, but virtually no standard filings involving residential properties. Thus, we do not have any 2008 and 2009 federal filings in this report. As noted in our 2008 report, there is some duplication between state and federal court cases.

Table 4: New Foreclosure Filings by Ohio County, 1995 and 2006-2010								
County	1995 Filings	2008 Filings	2009 Filings	2010 Filings	Change 2009-2010	Rank in Growth 2009-2010	Change 1995-2010	Rank in Growth, 1995-2010
Adams	25	155	163	130	-20.2%	82	420.0%	66
Allen	164	996	690	682	-1.2%	32	315.9%	76
Ashland	30	282	348	319	-8.3%	61	963.3%	11
Ashtabula	111	782	802	759	-5.4%	49	583.8%	39
Athens	21	169	192	161	-16.1%	77	666.7%	28
Auglaize	34	227	262	248	-5.3%	48	629.4%	35
Belmont	40	220	228	265	16.2%	7	562.5%	43
Brown	62	371	385	407	5.7%	17	556.5%	46
Butler	447	2,987	3,162	3166	0.1%	30	608.3%	36
Carroll	35	122	168	170	1.2%	26	385.7%	69
Champaign	45	256	318	293	-7.9%	59	551.1%	47
Clark	144	1,124	1,104	1067	-3.4%	42	641.0%	31
Clermont	182	1,285	1,342	1402	4.5%	19	670.3%	27
Clinton	36	291	397	330	-16.9%	79	816.7%	16
Columbiana	258	636	702	681	-3.0%	37	164.0%	86
Coshocton	19	180	187	163	-12.8%	72	757.9%	20
Crawford	31	337	312	304	-2.6%	36	880.6%	15
Cuyahoga	3,345	13,858	14,171	12825	-9.5%	63	283.4%	79
Darke	45	310	311	273	-12.2%	70	506.7%	51
Defiance	22	183	198	225	13.6%	9	922.7%	13
Delaware	130	909	1,003	989	-1.4%	33	660.8%	30
Erie	75	562	539	548	1.7%	24	630.7%	33
Fairfield	110	964	1,019	963	-5.5%	50	775.5%	17
Fayette	16	216	235	201	-14.5%	74	1156.3%	9
Franklin	1,459	9,305	9,499	9649	1.6%	25	561.3%	45
Fulton	17	216	273	251	-8.1%	60	1376.5%	3
Gallia	42	95	82	113	37.8%	2	169.0%	84
Geauga	81	435	508	497	-2.2%	34	513.6%	50
Greene	242	773	851	817	-4.0%	45	237.6%	82
Guernsey	50	210	221	188	-14.9%	75	276.0%	80
Hamilton	1,490	6,673	6,714	6556	-2.4%	35	340.0%	75
Hancock	84	436	534	503	-5.8%	53	498.8%	53
Hardin	39	210	185	173	-6.5%	55	343.6%	74
Harrison	11	81	70	81	15.7%	8	636.4%	32
Henry	7	146	183	162	-11.5%	66	2214.3%	2
Highland	31	351	381	307	-19.4%	81	890.3%	14
Hocking	37	178	166	201	21.1%	3	443.2%	64
Holmes	15	109	103	117	13.6%	10	680.0%	25
Huron	30	396	423	382	-9.7%	64	1173.3%	8
Jackson	63	198	220	207	-5.9%	54	228.6%	83
Jefferson	57	297	308	338	9.7%	13	493.0%	54
Knox	195	405	453	502	10.8%	12	157.4%	87
Lake	301	1,517	1,695	1760	3.8%	20	484.7%	56
Lawrence	42	260	260	252	-3.1%	40	500.0%	52
Licking	89	1,204	1,178	1188	0.8%	27	1234.8%	5
Logan	69	323	340	328	-3.5%	43	375.4%	70
Lorain	413	2,442	2,696	2385	-11.5%	67	477.5%	58
Lucas	1,165	4,359	4,491	4232	-5.8%	52	263.3%	81
Madison	96	198	273	201	-26.4%	88	109.4%	88
Mahoning	321	1,836	1,755	1819	3.6%	23	466.7%	60
Marion	92	531	584	541	-7.4%	58	488.0%	55
Medina	140	961	1,155	1098	-4.9%	47	684.3%	24

Meigs	13	75	74	71	-4.1%	46	446.2%	63
Mercer	21	142	154	161	4.5%	18	666.7%	29
Miami	81	590	741	676	-8.8%	62	734.6%	22
Monroe	12	38	33	32	-3.0%	38	166.7%	85
Montgomery	949	5,194	4,703	4673	-0.6%	31	392.4%	68
Morgan	8	37	85	64	-24.7%	86	700.0%	23
Morrow	54	261	242	291	20.2%	4	438.9%	65
Muskingum	78	563	450	530	17.8%	5	579.5%	41
Noble	5	38	32	126	293.8%	1	2420.0%	1
Ottawa	42	273	262	272	3.8%	21	547.6%	48
Paulding	24	126	151	113	-25.2%	87	370.8%	71
Perry	26	217	234	217	-7.3%	57	734.6%	21
Pickaway	29	318	339	297	-12.4%	71	924.1%	12
Pike	31	129	104	121	16.3%	6	290.3%	78
Portage	143	874	935	991	6.0%	16	593.0%	37
Preble	96	374	370	384	3.8%	22	300.0%	77
Putnam	16	104	100	109	9.0%	14	581.3%	40
Richland	128	862	903	798	-11.6%	68	523.4%	49
Ross	74	416	518	424	-18.1%	80	473.0%	59
Sandusky	42	321	408	325	-20.3%	83	673.8%	26
Scioto	63	304	324	325	0.3%	29	415.9%	67
Seneca	79	316	331	355	7.3%	15	349.4%	73
Shelby	44	250	303	291	-4.0%	44	561.4%	44
Stark	380	3,017	2,700	2549	-5.6%	51	570.8%	42
Summit	745	4,113	4,633	4320	-6.8%	56	479.9%	57
Trumbull	254	1,481	1,605	1413	-12.0%	69	456.3%	62
Tuscarawas	56	389	453	409	-9.7%	65	630.4%	34
Union	26	320	338	340	0.6%	28	1207.7%	6
Van Wert	18	201	207	156	-24.6%	85	766.7%	18
Vinton	10	43	65	56	-13.8%	73	460.0%	61
Warren	112	1,306	1,498	1450	-3.2%	41	1194.6%	7
Washington	33	173	201	154	-23.4%	84	366.7%	72
Wayne	41	462	588	493	-16.2%	78	1102.4%	10
Williams	17	199	273	230	-15.8%	76	1252.9%	4
Wood	106	582	750	727	-3.1%	39	585.8%	38
Wyandot	14	98	107	121	13.1%	11	764.3%	19
Total	**15,975**	**85,773**	**89,053**	**85,483**	-4.0%		435.1%	

Source: Data on state court filings came from the Ohio Supreme Court. Policy Matters Ohio reviewed filings in U.S. District Courts in Ohio, which are included in 2006 and 2007. Federal filings exclude cases removed to federal court from state court, reopened cases, and those for which proceedings were not available. As cited in the data note, there were no federal cases counted for 1995, 2008, 2009, and 2010.

Table 5: Foreclosure Filing Rates in Ohio Counties 2010				
Counties	**2009 Population**	**2010 Filings**	**2010 Filings/1,000 Pop.**	**Rate Rank**
Adams	28,043	130	4.64	71
Allen	104,357	682	6.54	38
Ashland	55,044	319	5.80	56
Ashtabula	100,767	759	7.53	18
Athens	63,026	161	2.55	86
Auglaize	46,699	248	5.31	63
Belmont	68,066	265	3.89	81
Brown	44,003	407	9.25	3
Butler	363,184	3166	8.72	7
Carroll	28,539	170	5.96	49
Champaign	39,713	293	7.38	21
Clark	139,671	1067	7.64	17
Clermont	196,364	1402	7.14	24
Clinton	43,058	330	7.66	16
Columbiana	107,722	681	6.32	42
Coshocton	35,767	163	4.56	72
Crawford	43,403	304	7.00	27
Cuyahoga	1,275,709	12825	10.05	1
Darke	51,814	273	5.27	65
Defiance	38,432	225	5.85	54
Delaware	168,708	989	5.86	53
Erie	76,963	548	7.12	25
Fairfield	143,712	963	6.70	35
Fayette	28,117	201	7.15	23
Franklin	1,150,122	9649	8.39	10
Fulton	42,402	251	5.92	52
Gallia	30,694	113	3.68	82
Geauga	99,060	497	5.02	67
Greene	159,823	817	5.11	66
Guernsey	40,054	188	4.69	70
Hamilton	855,062	6556	7.67	15
Hancock	74,538	503	6.75	32
Hardin	31,818	173	5.44	60
Harrison	15,268	81	5.31	64
Henry	28,648	162	5.65	57
Highland	42,178	307	7.28	22
Hocking	28,912	201	6.95	29
Holmes	41,854	117	2.80	85
Huron	59,849	382	6.38	40
Jackson	33,440	207	6.19	46
Jefferson	67,691	338	4.99	68
Knox	59,637	502	8.42	8
Lake	236,775	1760	7.43	20
Lawrence	62,744	252	4.02	79
Licking	158,488	1188	7.50	19
Logan	46,582	328	7.04	26
Lorain	305,707	2385	7.80	13
Lucas	463,493	4232	9.13	4
Madison	42,539	201	4.73	69
Mahoning	236,735	1819	7.68	14
Marion	65,655	541	8.24	11

Counties	2009 Population	2010 Filings	2010 Filings/1,000 Pop.	Rate Rank
Medina	174,035	1098	6.31	43
Meigs	22,838	71	3.11	84
Mercer	40,666	161	3.96	80
Miami	101,256	676	6.68	36
Monroe	14,058	32	2.28	88
Montgomery	532,562	4673	8.77	6
Morgan	14,288	64	4.48	74
Morrow	34,642	291	8.40	9
Muskingum	84,884	530	6.24	45
Noble	14,311	126	8.80	5
Ottawa	40,945	272	6.64	37
Paulding	18,994	113	5.95	50
Perry	35,359	217	6.14	47
Pickaway	54,734	297	5.43	61
Pike	27,722	121	4.36	75
Portage	157,530	991	6.29	44
Preble	41,422	384	9.27	2
Putnam	34,377	109	3.17	83
Richland	124,490	798	6.41	39
Ross	75,972	424	5.58	58
Sandusky	60,071	325	5.41	62
Scioto	76,334	325	4.26	77
Seneca	56,152	355	6.32	41
Shelby	48,990	291	5.94	51
Stark	379,466	2549	6.72	34
Summit	542,405	4320	7.96	12
Trumbull	210,157	1413	6.72	33
Tuscarawas	91,137	409	4.49	73
Union	48,903	340	6.95	28
Van Wert	28,496	156	5.47	59
Vinton	13,228	56	4.23	78
Warren	210,712	1450	6.88	30
Washington	61,048	154	2.52	87
Wayne	114,222	493	4.32	76
Williams	37,816	230	6.08	48
Wood	125,380	727	5.80	55
Wyandot	22,394	121	6.88	31

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Source: Data on state court filings came from the Ohio Supreme Court. As cited in the data note, there were no federal cases counted for 2009 and 2010. Population data is from the U.S. Census Bureau. The population data is based on 2009 population because 2010 population data was not yet available as of the date of this report.