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Foreclosure Activity in the Portland MSA

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Summary

Foreclosure activity is an important indicator of community and neighborhood health and the economic viability of households. In the Portland region, foreclosure activity is comparable to many areas of the United States, with significant segments of the population struggling to make their mortgage payments.

The foreclosure crisis continues to unfold in the United States. In 2009, RealtyTrac reported 3.9 million foreclosure filings on 2.8 million properties in the U.S., up 21 percent from the previous year.¹ Foreclosure filings include default notices, scheduled foreclosure auctions and bank reversions. About two percent of all U.S. housing units received at least one foreclosure notice in 2009. California, Florida, Arizona and Illinois accounted for more than 50 percent of the 2009 foreclosure filings. In 2009, Oregon had the 11th highest rate of foreclosures, with one foreclosure filing for every 47 housing units. Between 2008 and 2009, Oregon filings increased 89 percent. Compared with 2007, foreclosure filings in 2009 increased by 303 percent.

While still high, monthly counts of pre-foreclosure notices in the Portland Metropolitan Statistical Area (MSA) have been steadily declining since late 2008. However, according to RealtyTrac data, counts of bank reversions in the Portland MSA continue to climb and reached near peak levels in October 2009 as default grace periods elapsed.

This briefing sheet is designed to stimulate discussion and invite feedback regarding the usefulness of the information for understanding the extent of the foreclosure problem, identifying neighborhoods at

risk of widespread problems due to foreclosures, understanding neighborhood change, and targeting intervention.

Foreclosure Process

Foreclosure is a process that allows a lender to recover the amount owed on a defaulted loan by selling or taking ownership (repossession) of the property securing the loan. The foreclosure process begins when a borrower/owner defaults on mortgage payments and the lender files a public default notice, called a Notice of Default or Lis Pendens.

The foreclosure process can end one of four ways:

1. The borrower pays off the defaulted amount during a pre-foreclosure period determined by state law and reinstates the loan.
2. The borrower sells the property to a third party during the pre-foreclosure period (a "short sale"). The sale allows the borrower/owner to pay off the loan and avoid having a foreclosure on his or her credit history.
3. A third party buys the property at a public auction at the end of the pre-foreclosure period.
4. The lender takes ownership of the property, usually with the intent to re-sell it on the open market. Properties repossessed by the lender are also known as bank-owned or REO properties. In this article they are called "bank reversions."

In Oregon, foreclosures are normally carried out in 150-180 days.²

¹ "Realtytrac® Year-End Report Shows Record 2.8 Million U.S. properties with foreclosure filings in 2009." Realtytrac.com. <http://www.realtytrac.com/contentmanagement/pressrelease.aspx?itemid=8333>

² "Foreclosures Overview." Realtytrac.com. <http://www.realtytrac.com/foreclosure/overview.html>

Causes of the Foreclosure Crisis

The initial foreclosure crisis stemmed from a long period of risky lending activity. Lenders and borrowers alike were willing to enter into loans on the assumption that home prices would continue to rise and credit would continue to flow. Both assumptions are no longer valid. Although Oregon's housing market lags behind national trends, it continues to have more sellers than buyers³ and credit remains tight as financial institutions search for the new "normal" after the financial crisis.

Now that the foreclosure crisis has established itself, homeowners at risk for new foreclosures include:

- 1) those with risky high interest, sub-prime, Alternative A-paper (Alt-A), and adjustable rate (ARM) mortgages, and
- 2) homeowners who have mortgages that are "under-water," which means that they owe more on their mortgage than the home is worth.

Risky Mortgages

Data from the Home Mortgage Disclosure Act (HMDA) helps quantify how many risky loans have originated in the Portland MSA in the past few years.⁴ Risky loans in this dataset fall into two categories, "high cost" and "subprime" loans (these terms are often used interchangeably). Nearly one out of five conventional loans⁵ originated in the metropolitan region from 2004 through 2007 were "high cost loans," which carried interest rates over three percent higher than the U.S. Treasury rate at the time of origination. Subprime loans were offered to people who did not qualify for a conventional loan for various reasons: because they had low income, a high loan-to-value

3 See Federal Reserve Bank of San Francisco (Jan 2010). Trends in Delinquencies and Foreclosures in Oregon http://www.frbsf.org/community/issues/assets/preservation/resources/foreclosure/oregon_0110.pdf

4 HMDA has high, representative coverage of metropolitan, government backed (FHA, VA, Fannie and Freddie) mortgages. Increasingly researchers are concerned with the coverage and representative nature of the sup-prime, Alt-A, and resetting ARM markets which have driven the current crisis because lending institutions specializing in such loans are the least likely to fall under the HMDA reporting mandate. See www.huduser.org/publications/pdf/wkgpapr_7.pdf and www.hoyt.org/subprime/vperry.pdf for more information.

5 non FHA or VA issued; includes fixed and adjustable rates.

Table 1. Conventional Loan Originations in Portland MSA

Year	Originations	High Cost	By Subprime Lenders
2004	113,374	11.70%	17.90%
2005	143,447	23.50%	15.10%
2006	124,551	24.80%	9.40%
2007	95,850	14.30%	--
Total	477,222	19.20%	11.30%

ratio, or poor credit history.⁶ Lenders specializing in sub-prime loans provided over eleven percent of conventional loans from 2004 through 2006 in the Portland MSA. Subprime lending was concentrated in certain census tracts, which suggests some degree of discriminatory lending. Table 1 shows risky lending activity in the Portland MSA.

Alt-A mortgages, another type of loan, are difficult to tease out of the HMDA data but also increasingly a concern in the foreclosure crisis. Alt-A loans frequently have interest rates slightly above conventional loans and include features to lower monthly payments for the first few years. They are aimed at people who have better credit than subprime borrowers but who have credit scores that make them ineligible for the best loans with low rates. Alt-A mortgages are also considered more flexible because they allow for high debt-to-income ratios and undocumented incomes. These types of mortgages seemed appealing to many borrowers while home prices were still rising and homes could be sold before payments on principal would be required.⁷

As of October 2008, the Portland MSA had 26,222 Alt-A mortgages with nearly eight percent behind in payments by two months or more.⁸ Statistics for Oregon in December 2009, generally representative of Portland trends, indicated that 25% of Alt-A mortgages were not current and a third of those not

6 Subprime Loan. Lending Tree. <http://www.lendingtree.com/smartborrower/glossary/s/subprime-loan/>

7 Common features of Alt-A loans include interest only payments and negative-amortization, akin to a credit card, which allows a borrower to pay less than the accrued interest, with the difference added to the loan balance.

8 First American CoreLogic within Law, Steve. Shaky loans may spur new foreclosure wave. Portland Tribune. October 30, 2009. http://www.portlandtribune.com/news/story.php?story_id=123620453702532400

current were more than ninety days behind.⁹ Alt-A mortgages are projected to continue to deteriorate as higher-principal payments come due. With a soft housing market and tighter lending standards, those with Alt-A loans will struggle to refinance or sell their homes, forcing homeowners into negative equity or under-water positions and eventual default.

“Underwater” Mortgages

There is growing national concern about the increased percentage of “under-water” mortgages. As housing prices stabilize, more homeowners are finding they owe substantially more on their mortgage than the home is worth. If life transitions require mobility, such as a new job or divorce, these negative-equity mortgage holders are at risk of not paying the mortgage and simply leaving the house to foreclosure by the bank.

Defaulting on a mortgage may also represent a fresh start to homeowners residing in neighborhoods where housing prices are significantly suppressed below housing-bubble highs and are predicted to remain suppressed for many years. This situation is particularly vexing for homeowners who have mortgages with high interest rates, since negative equity excludes many refinancing options. As of the third quarter of 2009, 14.8% of mortgages within Portland MSA could be classified as “negative equity” mortgages, with 20.3% classified as “near negative equity.”¹⁰

In most cases, foreclosures lag behind rising unemployment. The increase in the United States Gross Domestic Product (GDP) in the third quarter of 2009 signaled the end of the recession. Yet other economic indicators—particularly sustained high levels of unemployment—suggest that foreclosure activity may continue to increase. For instance, even though unemployment peaked in mid-2009, unemployment in Oregon (11%) and the Portland MSA (10.6%) remain higher than national rates (9.7%)

as of December 2009.¹¹ High unemployment rates in the Portland MSA will likely result in additional mortgage defaults, compounding the foreclosure crisis.

Data

Our primary data source for foreclosures is the monthly count of pre-foreclosure filings (notice of default that includes auction date) and bank reversions from RealtyTrac, aggregated by zip code. Because this data is released in a timely fashion, it allows IMS to track the crisis as it unfolds.¹²

RealtyTrac arrives at the number of final auctions by counting the number of houses that revert to the bank. Since most housing auctions do not end with a sale to the public (because the bid price is too low), this proxy is fairly accurate in the Portland-Vancouver region.¹³

There are several drawbacks to the RealtyTrac data:

- Zipcode-level data obscures fine-grain geographic variation in foreclosure activity. Tract- or parcel-level data would be more useful.
- This data specifically tracks bank reversions but does not capture all property transfers.
- There may be inaccuracies in reporting, and we cannot verify any discrepancies because we only receive aggregate data.

Our data on current housing stock is derived from housing unit estimates from Environmental Systems Research Institute (ESRI) for 2009 at the zip code level.

Data from the Home Mortgage Disclosure Act (HMDA) allows us to analyze the relationship between sub-prime lending and foreclosures. This dataset provides context for our analysis, but we do not use it in depth since it does not provide zip code level data.

⁹ FirstAmerican CoreLogic, LoanPerformance data as found at the Federal Reserve Bank of New York’s U.S. Credit Conditions website (<http://data.newyorkfed.org/creditconditions/>)

¹⁰ First American Core Logic as found with Negative Equity Report at http://www.loanperformance.com/loanperformance_hpi.aspx#NegEqReport (2/10/10)

¹¹ US Dept of Labor, BLS

¹² Because we use proprietary data from Realtytrac, we unfortunately cannot release detailed tables of the foreclosure counts by zip code.

¹³ IMS is currently working on developing a stream of more accurate and geographically detailed data by using county notices directly. If we are successful in obtaining data directly from the counties, we will re-release all the data we collect within the parameters of data sharing agreements.

Portland-Vancouver MSA

The Portland-Vancouver region is still experiencing above-normal foreclosure activity. Monthly counts of foreclosure notices have declined from the late 2008 highs to mid 2008 levels. However, the RealtyTrac data show that counts of bank reversions continue to climb and reached near peak levels in October as default grace periods elapse.

The foreclosure crisis has put significant downward pressure on housing prices. Declines in Portland housing prices lagged behind most metropolitan regions by about a year, beginning in late-2007, early-2008. Current data suggests that housing prices are stabilizing. However, above-normal foreclosure activity combined with anticipated increases in the Federal Reserve rates suggest caution in assuming that (1) foreclosure rates are peaking and (2) housing prices will rebound anytime soon.

Foreclosure Rates

Foreclosure activity in the Portland area is comparable to many areas of the United States, with significant segments of the population struggling to make their mortgage payments. In January 2010, the Portland-Vancouver MSA ranked 61st in foreclosure activity out of 206 MSAs with populations greater than 200,000. With a foreclosure rate that is less than a quarter of Las Vegas', the Portland region has been relatively unaffected by the crisis. The sun-belt cities in Nevada, Arizona, California, and Florida have become emblematic of the foreclosure crisis (see Table 2 for a listing of the top ten).

Still, foreclosure rates in Oregon and Portland remain high. January 2010 data from RealtyTrac showed that on average in the United States, 1 in every 409 housing units received a foreclosure notice. The same data indicated that the Portland MSA has a slightly lower rate of foreclosures than Oregon as a whole: 1 in 377 households in the Portland-Vancouver MSA, and 1 in 338 in Oregon, was in some state of foreclosure. Within the MSA, Yamhill (1 in 292) and Columbia counties (1 in 283) experienced the highest rates of foreclosure. Clark County had fewer foreclosure filings in January 2010. Foreclosure rates for each county within the MSA Portland are shown in Table 3.

Table 2. Top Foreclosure Rates, January 2010

MSA Rank	MSA	Rate
1	Las Vegas, NV	1:82
2	Phoenix, AZ	1:102
3	Modesto, CA	1:107
4	Stockton, CA	1:107
5	Riverside-San Bernadino-Ontario, CA	1:109
6	Merced, CA	1:109
7	Vallejo-Fairfield, CA	1:112
8	Bakersfield, CA	1:118
9	Cape Coral – Fort Myers, FL	1:121
10	Orlando-Kissimmee, FL	1:143
61	Portland-Vancouver, OR	1:377
	Oregon	1:338
	USA	1:409

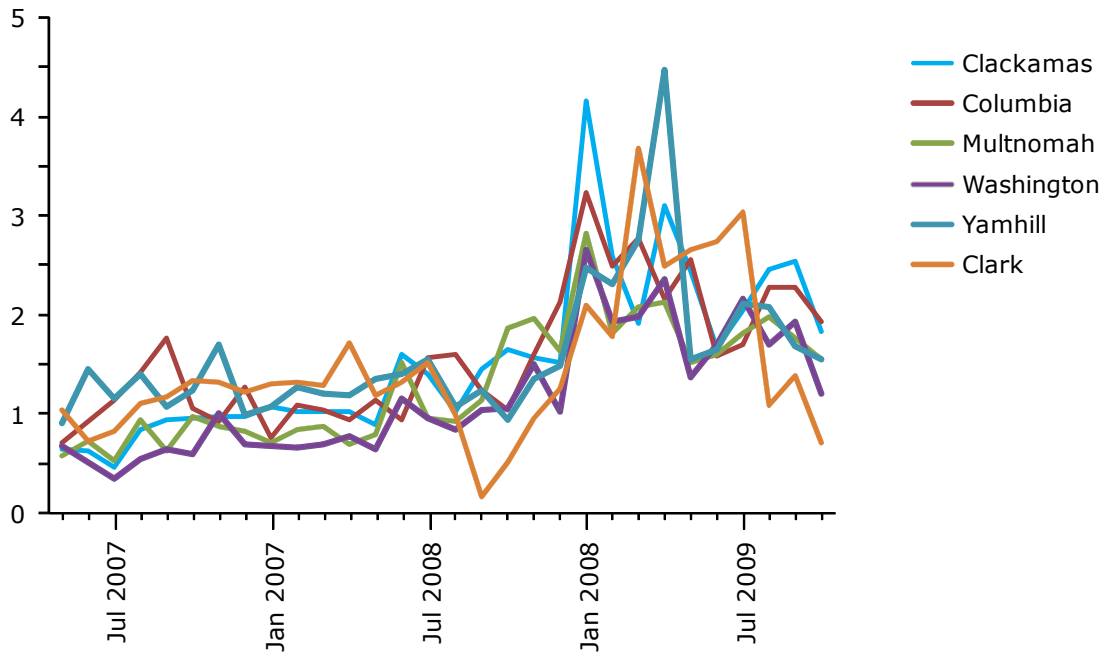
Note: MSAs include Metropolitan Areas with populations greater than 200,000 *rank in states. Source: RealtyTrac, January 2010

Table 3. Foreclosure Rates by County, January 2010

Rank	Geography	Rate
	Portland-Vancouver MSA	1:377
1	Columbia	1:283
2	Yamhill	1:292
3	Clackamas	1:314
4	Washington	1:377
5	Multnomah	1:378
6	Clark	1:511
7	Skamania	1:5196

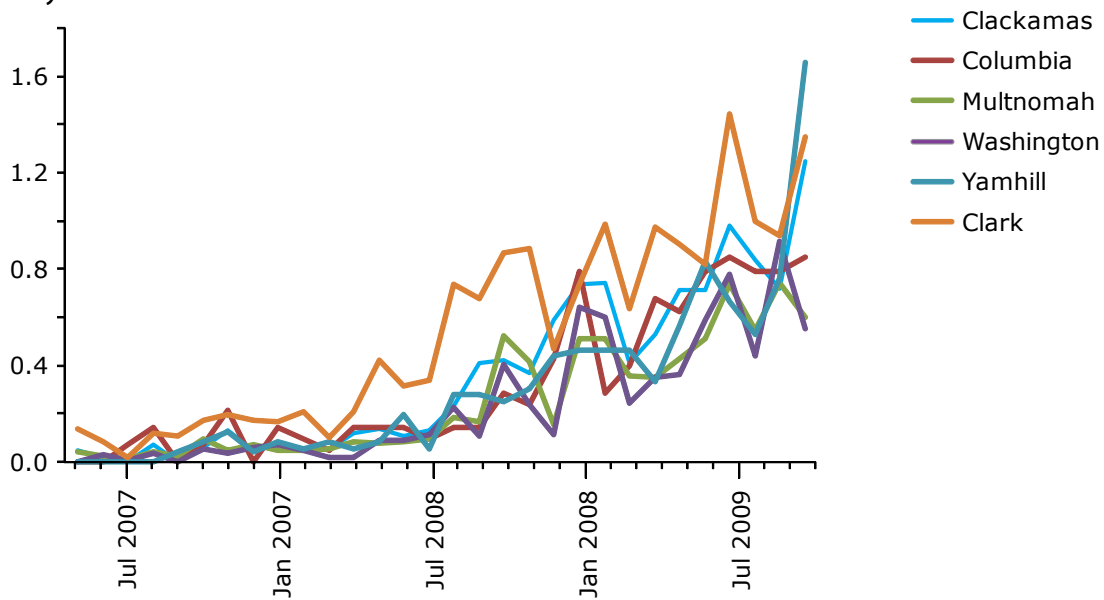
Source: RealtyTrac, January 2010

Figure 1. Rates of Pre-Foreclosure Filings in Portland-Vancouver MSA, by County, May 2007-October 2009



Source: RealtyTrac

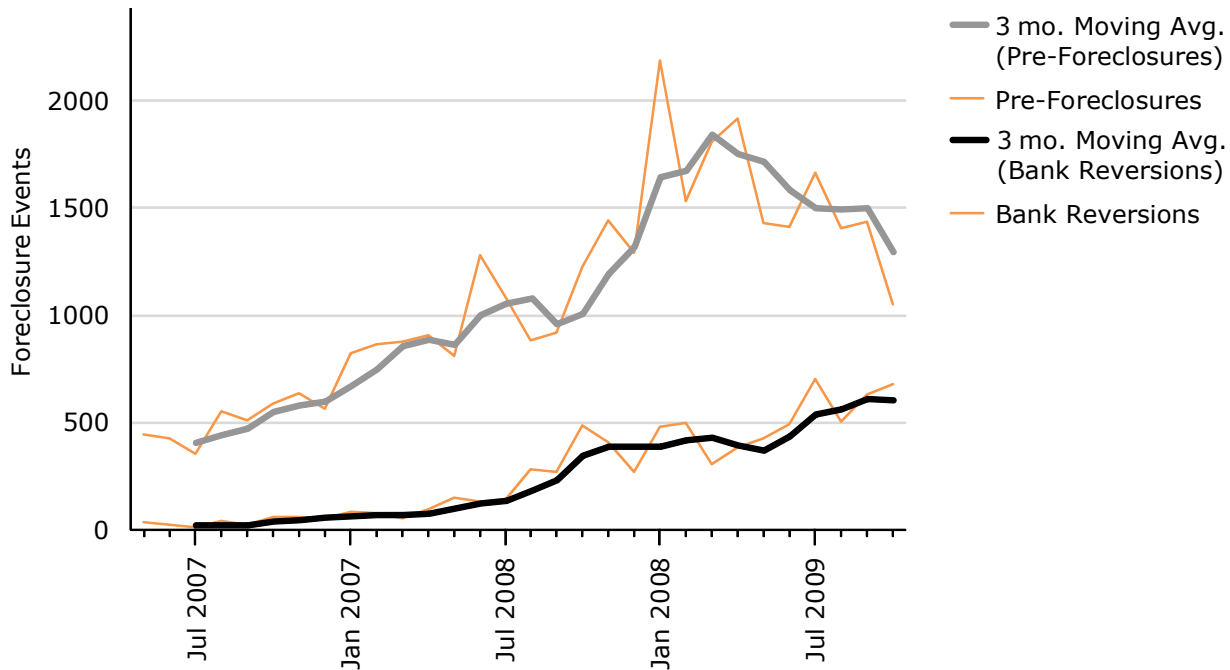
Figure 2. Rates of Bank Reversions in Portland-Vancouver MSA, by County, May 2007-October 2009



Source: RealtyTrac

Figures 1 and 2 show time series rates for pre-foreclosure filings and bank reversions for each county covered in this report. The data show that while the counties with the highest rates of pre-foreclosure filings have changed over time, Clark and Clackamas counties have had the highest rates of bank reversions in the Portland MSA.

Figure 3. Rates of Pre-Foreclosure Filings in Portland-Vancouver MSA, May 2007-October 2009



Source: RealtyTrac

In order to clearly see trends in foreclosure rates, we use a three month moving average that averages each month with the two prior months. Figure 3 shows raw totals and moving averages of pre-foreclosure filings and bank reversions in the Portland MSA between May 2007 and October 2009. The orange pre-foreclosure and bank reversion lines show the raw totals.

Households in the first phase of foreclosure (Notice of Defaults with auction date), labeled as pre-foreclosures, have begun to decline. In October 2009, 1,049 houses or 1.37% of the single family housing stock was in the pre-foreclosure stage. This was down from late 2008 highs of over 2.5%.

It is unclear if bank reversions—the final stage of foreclosure—have peaked. In October 2009, 674 houses or 0.88% of the housing stock in the region reverted to bank ownership. The continued increase in bank reversions in spite of pre-foreclosure declines likely reflects a lag due to grace periods and auction date requirements (see Foreclosure Process in Oregon section).

Figures 4 and 5 on pages 8-9 show a map view of total foreclosures per 1000 housing units between May 2007 and October 2009 for the Portland MSA.

Housing Prices

Depressed housing prices in the current crisis are both an indication of foreclosure pressures and a cause for continued foreclosure concerns. Like many metropolitan regions, housing prices in Portland began to fall as those struggling to meet mortgage payments—with the desire to sell short—flooded the market.¹ Short sales and bank-owned foreclosed properties continue to dampen the market. Long-term depressed housing prices often coincide with negative equity positions for many households. Negative equity creates an incentive for owners to walk away from a mortgage to facilitate life changes or even make a fresh equity start.²

Portland housing price trends lag behind the nation; one-year changes in housing prices as indexed by S&P Case-Schiller™ began dropping in the Portland MSA in January of 2008—about a year after the average city in the U.S. As of November 2009, Case-Schiller™ showed a 7.5% year-over-year drop in Portland MSA, the eighth worst one-year change in housing prices of the twenty cities followed. In comparison, the Case-Schiller™ 20-city Composite reported a 5.3% drop. The largest decreases occurred in Las Vegas (24.5%), Phoenix (14.2%), Tampa (13.2%), Detroit (13.0%), and Miami (12.1%); Seattle showed a 10.6% one-year drop.³

While one-year changes in housing prices remain negative in Portland and the US, month-to-month changes in the Case-Schiller™ Index may indicate some optimism for a handful of cities. Unlike Charlotte, Las Vegas, Seattle and Tampa—which have yet to signal a bottom—housing prices in the Portland MSA seem to be stabilizing. With the exception of September, Portland has seen extremely modest month-to-month gains since May 2009 (0.1% increase in October, 0.3% increase in November).

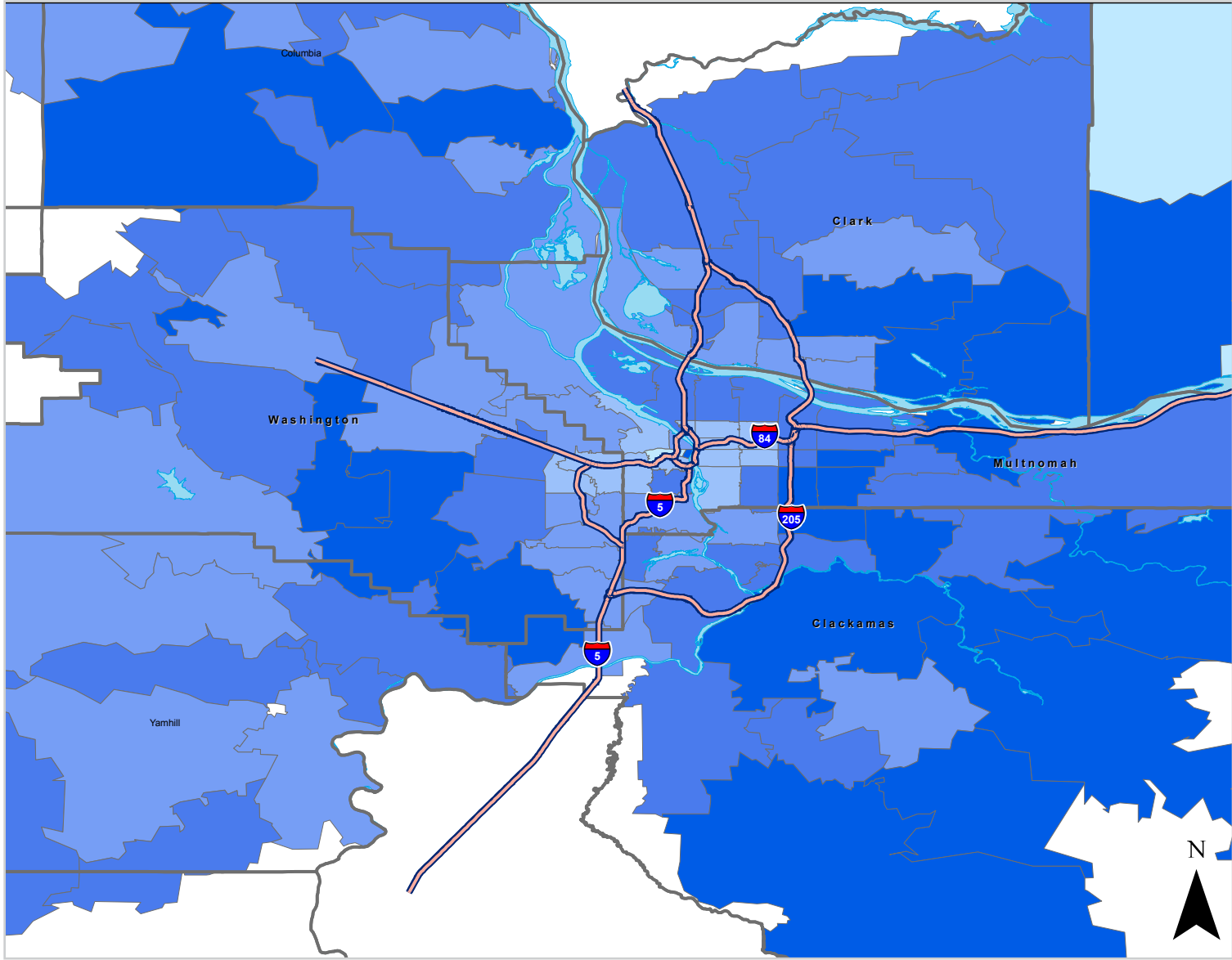
Still, many experts suggest caution against counting on a continued strength in the market, since housing prices have likely been boosted by temporary federal policies such as the home purchase tax credit and low Federal Reserve rates. Further, spatial concentrations of foreclosures as discussed in the sections below suggest housing price stabilization will be spatially uneven.

1 A short sale is a sale of real estate in which the sale proceeds fall short of the balance owed on the property's loan. It often occurs when a borrower cannot pay the mortgage loan on their property, but the lender decides that selling the property at a moderate loss is better than pressing the borrower.

2 Streitfeld, David. "No Help in Sight, More Homeowners Walk Away." *New York Times*. February 2, 2010. <http://www.nytimes.com/2010/02/03/business/03walk.html>

3 S&P Case Shiller Indices® Nov 2009

Figure 4. Pre-Foreclosure Filings by Zip Code, May 2007-October 2009 in Portland MSA per 1,000 Housing Units (2009 est.)



Source: Realty Trac, ESRI 2009 Housing Estimates

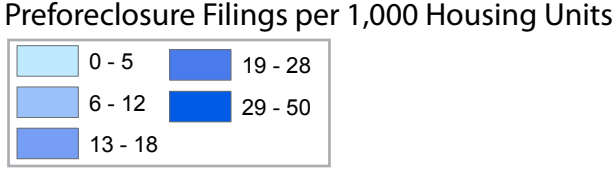
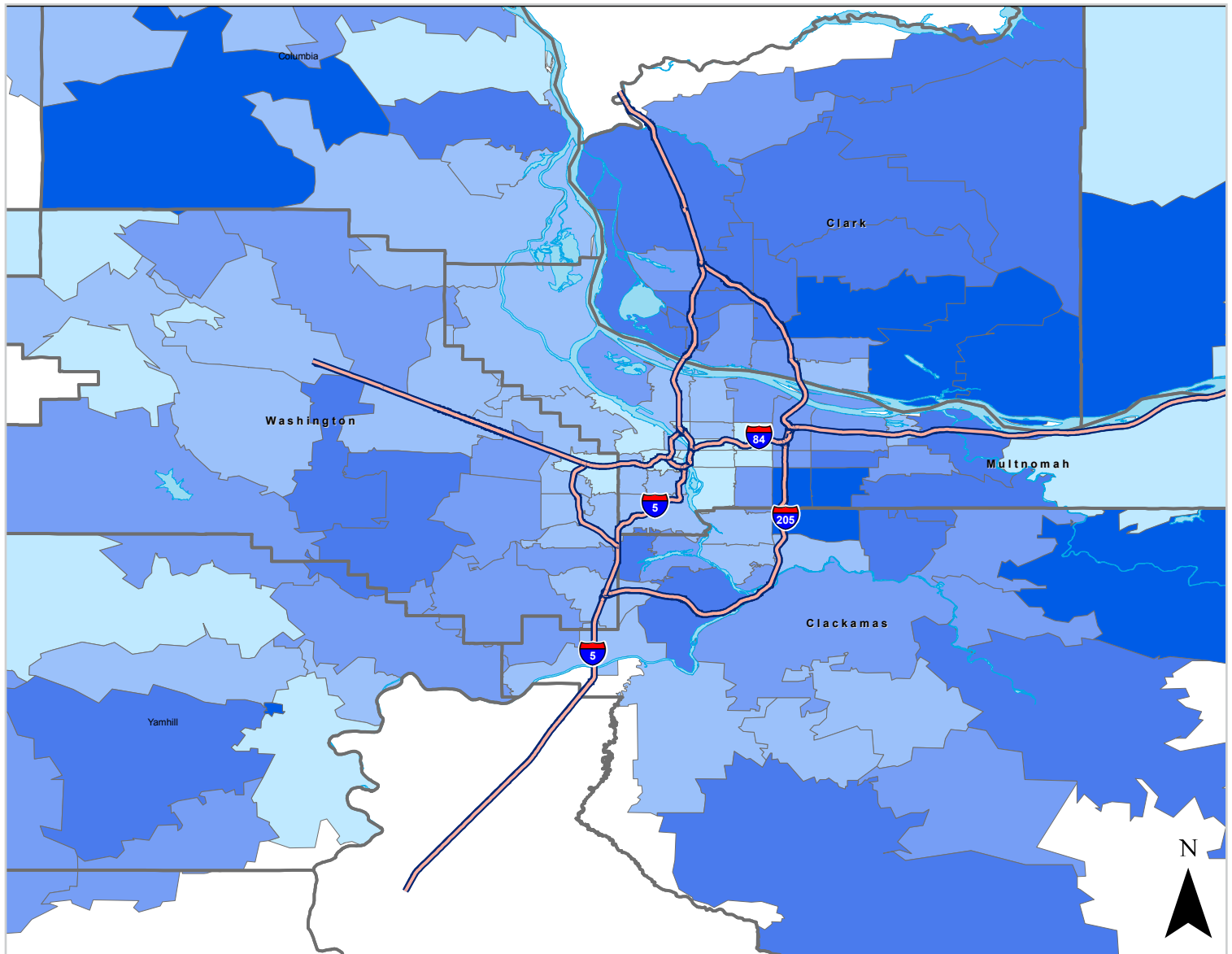
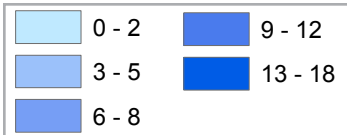


Figure 5. Bank Reversions by Zip Code, May 2007-October 2009
in Portland MSA
per 1,000 Housing Units (2009 est.)



Source: Realty Trac, ESRI 2009 Housing Estimates

Bank Reversions per 1,000 Housing Units



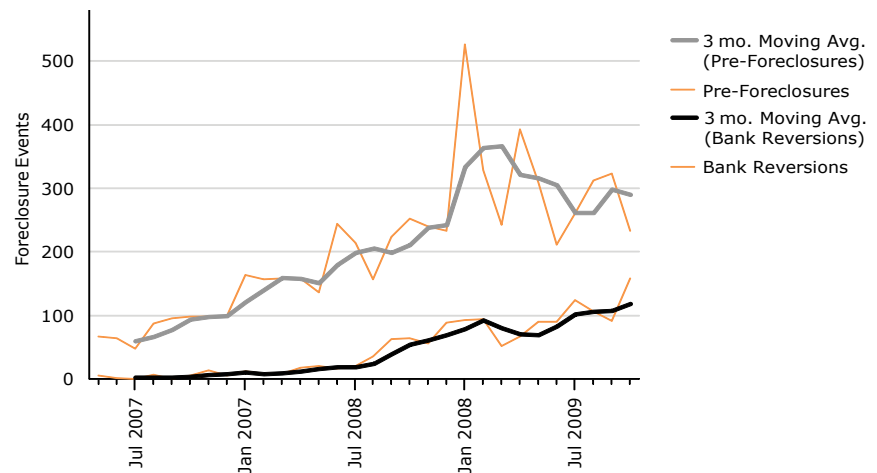
Clackamas County

Clackamas County is located in the southeast part of the Portland-Vancouver region, with a population of 380,576 in 2008. Its county seat is Oregon City. Both pre-foreclosure filings and bank reversions (per 1000 housing units) have been consistently higher in Clackamas County than in Multnomah and Washington counties, but lower than Clark County foreclosure filing levels.

Clackamas County has experienced high housing growth rates—a possible risk factor for foreclosures—in the last twenty years.¹ The housing stock in Clackamas County is characterized by a larger share of newer homes. As a result, the average loan balance is likely to be significantly higher in Clackamas County than in Multnomah County, which—in relative terms—has seen slower housing growth in recent years. In a declining market, a high loan balance frequently serves as a catalyst for housing distress as the value of the property drops below the amount owed. With little or no equity left, the homeowner’s incentive to keep making mortgage payments is reduced substantially—particularly in times of trouble.

Many of these newer homes have “risky” mortgages. The percentage of risky loans for Clackamas County is similar or slightly lower than Multnomah County and the overall region. Still, at the height of subprime lending in 2004, seventeen percent of conventional (non-FHA, non-VA) loans originated were provided by lenders specializing in subprime lending. Over one in five loans originated in 2005 and 2006 were considered high-cost loans, where the interest rate was over three percent higher than US Treasury rates at time of origination (see Appendix B: Subprime and High Interest Rate Lending).

Figure 6. Foreclosure Activity in Clackamas County May 2007 - October 2009



Source: Realty Trac, ESRI 2009 Housing Estimates

Figures 6 and 7 shows pre-foreclosure filing and bank reversion rates for Clackamas County. The hardest-hit zip code is 97086, which corresponds roughly to the city of Happy Valley on the border with Multnomah County. In 2006 a record number of newly-constructed, high-end homes were purchased in the area. As home values fell, Happy Valley was left with 675 empty lots and 35 half-finished homes.² Price points soon started to tumble, affecting nearby neighborhoods and eventually leading to one of the highest foreclosure rates for any county in the state of Oregon.

The RealtyTrac data show that towards the end of 2009, pre-foreclosure and bank reversion rates for Clackamas County have remained higher than in any other county in the MSA except for Clark County. Compared to the previous year, the pre-foreclosure rate is up by almost 100% and bank reversions in particular have skyrocketed. In 2009 roughly one in every five homes sold was bank-owned.³

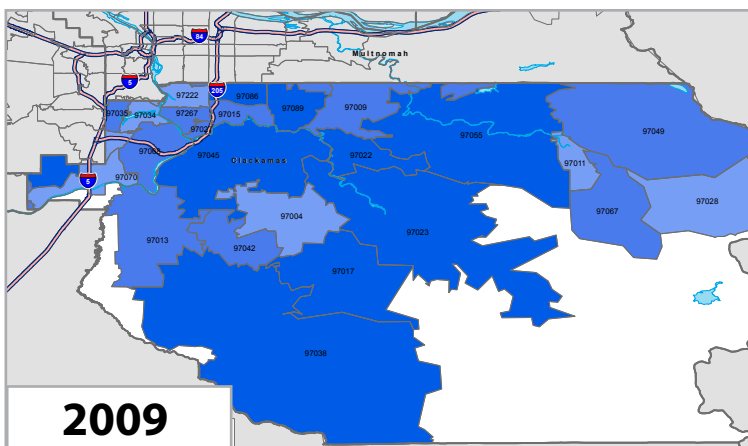
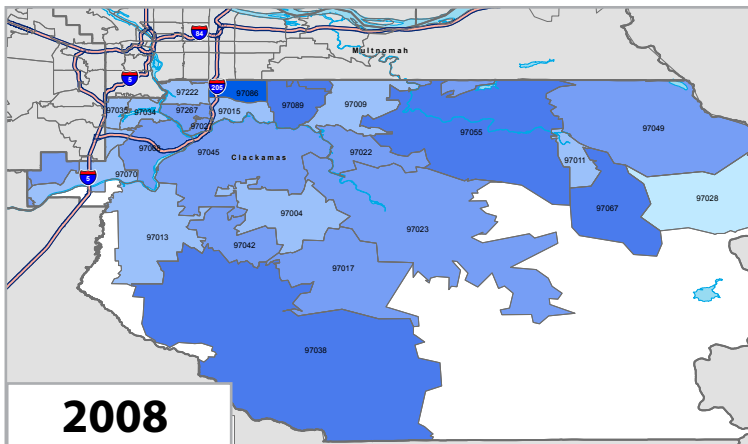
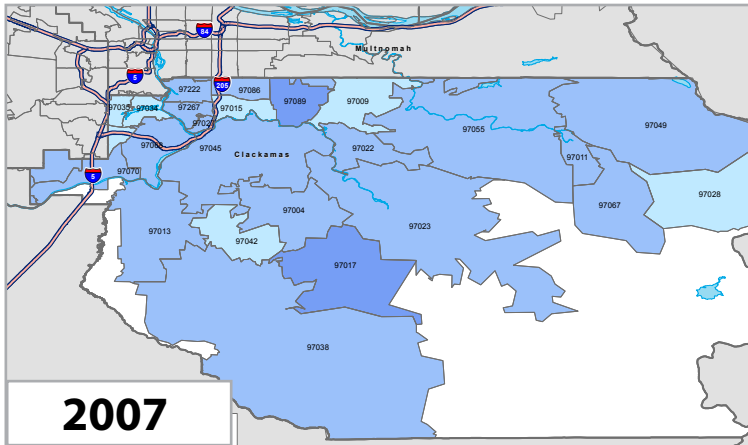
For a detailed table, see Appendix A.

1 Kochhar, Gonzalez-Barrera, Dockterman (2009). Through Boom and Bust: Minorities, Immigrants and Homeownership. P. 32, Pew Hispanic Center, Washington DC.

2 The Oregonian, Road to ruin: Happy Valley street embodies national housing bust, December 06, 2008

3 RMLS, 2009

Figure 7. Pre-Foreclosure Filings by Zip Code in Clackamas County per 1,000 Housing Units (2009 est.) Filings per Year for 2007, 2008, 2009



Preforeclosure Filings per 1,000 Housing Units

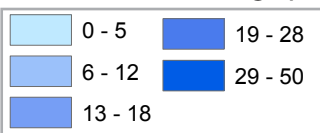
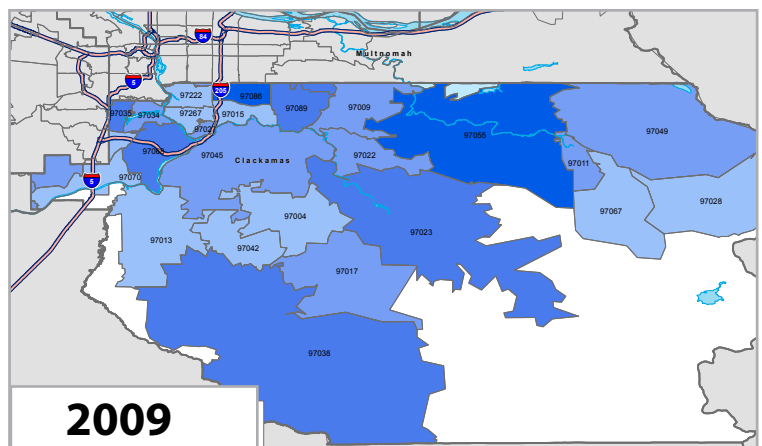
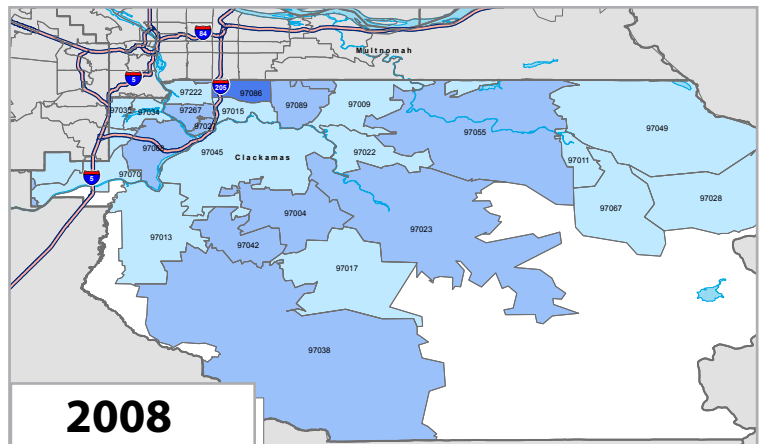
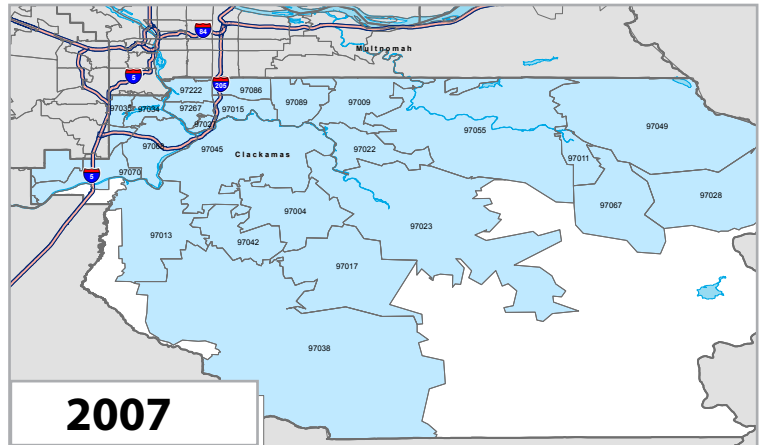
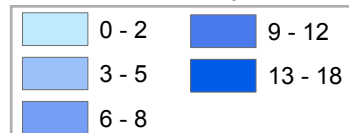


Figure 8. Bank Reversions by Zip Code in Clackamas County per 1,000 Housing Units (2009 est.) Filings per Year for 2007, 2008, 2009



Bank Reversions per 1,000 Housing Units



Note: "2007" includes data from May through December 2007, "2008" includes data from January through December 2008, and "2009" includes data from January through October 2009. Source: Realty Trac, ESRI 2009 Housing Estimates.

Clark County

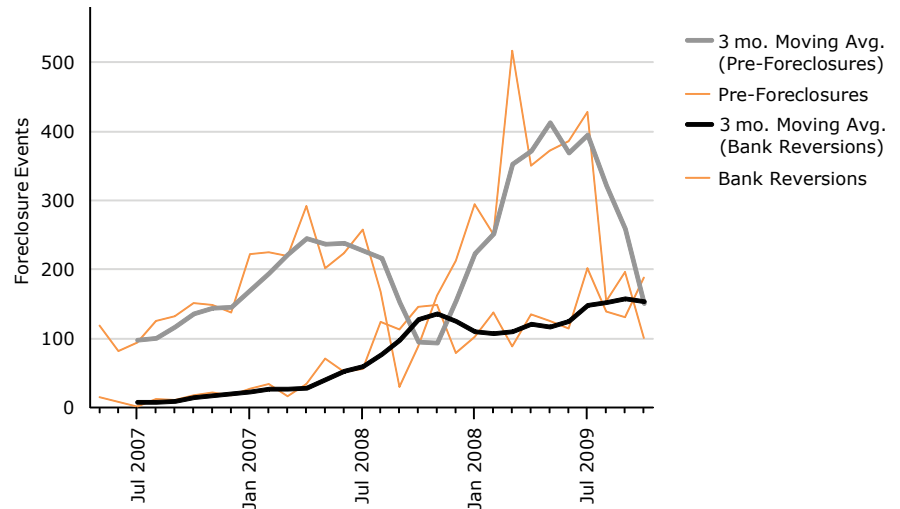
Clark County was among the first counties surveyed in this report to show signs of housing distress. By the time the bubble burst in late 2007, pre-foreclosure rates were already significantly higher than in most other counties. Clark County's head-start on pre-foreclosure filings and a more swift foreclosure process under Washington law resulted in a greater share of bank reversions than that experienced by other counties in subsequent months.

With twice as many bank reversions per housing unit as Multnomah County over the last 2.5 years, Clark County has the highest bank reversion rates in the MSA. Although pre-foreclosure filings remain high, Clark County's relative position appears to be improving. In 2009 Clark County ranked fourth highest in terms of the pre-foreclosure rate, with fewer pre-foreclosure filings per 1,000 households than Columbia or Clackamas County, but still ahead of Multnomah and Washington.

Figures 9-11 show pre-foreclosure filing and bank reversion rates for Clark County between May 2007 and October 2009. Areas east of Vancouver in zip codes such as 98607 (Washougal) and 98671 (Camas) have been hardest hit within the county, rivaling some of the region's foreclosure hotspots such as Happy Valley in terms of filings per 1,000 households. In recent times, Clark County's Northwood Park, Springbrook Ridge and The Village at Round Lake subdivisions have been among the leading suppliers of bank-owned inventory.

Much like Clackamas County, Clark County has experienced high growth in recent years, which has likely contributed to the county's overall housing vulnerability. Clark County's lower median household income (compared to Washington and Clackamas counties) would furthermore seem to suggest that residents were exposed to a greater extent to subprime lending practices, particularly prevalent among lower income, high-risk borrowers.

Figure 9. Foreclosure Activity in Clark County May 2007 - October 2009



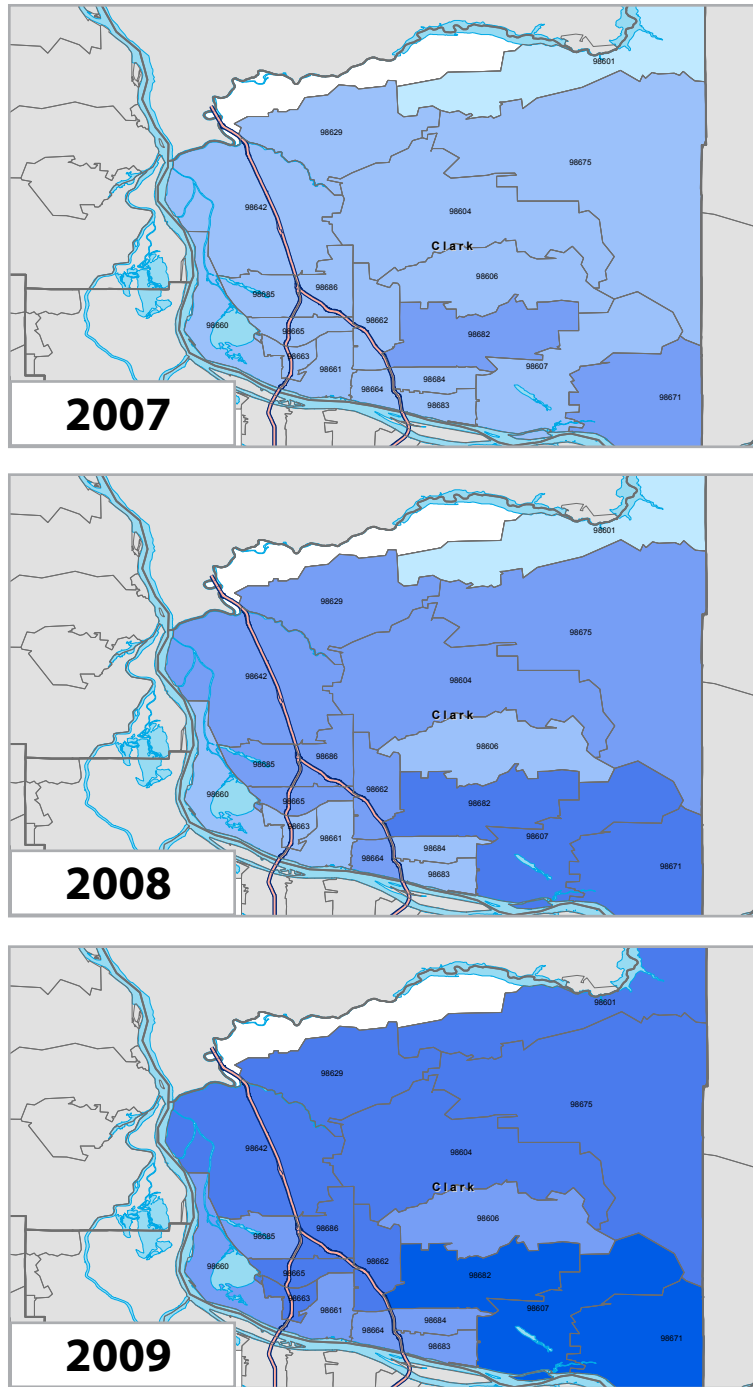
Source: Realty Trac, ESRI 2009 Housing Estimates

For instance, at the height of the subprime lending in 2004, twenty percent of conventional (non-FHA, non-VA) loans were originated by subprime lenders, whereas the regional percentage was eighteen. Furthermore, subprime lending decreased at a slower rate in Clark County than any other county in the region. Additionally, Clark County had a higher percentage of high-cost loans than Multnomah, Washington, and Clackamas counties. Over one in four loans originated in 2005 and 2006 originated with interest rates three or more percent higher than the current US Treasury rate. See Appendix B: HMDA for more detailed information regarding risky lending.

The early onset of housing distress in Clark County lends additional support to the subprime hypothesis, given the consensus among housing experts that the initial wave of housing distress nationwide was largely the result of subprime lending, rather than prime lending or Alt-A mortgages.

For a detailed table, see Appendix A.

Figure 10. Pre-Foreclosure Filings by Zip Code in Clark County per 1,000 Housing Units (2009 est.) Filings per Year for 2007, 2008, 2009



Preforeclosure Filings per 1,000 Housing Units

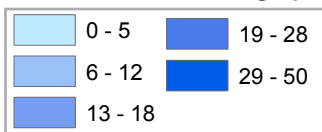
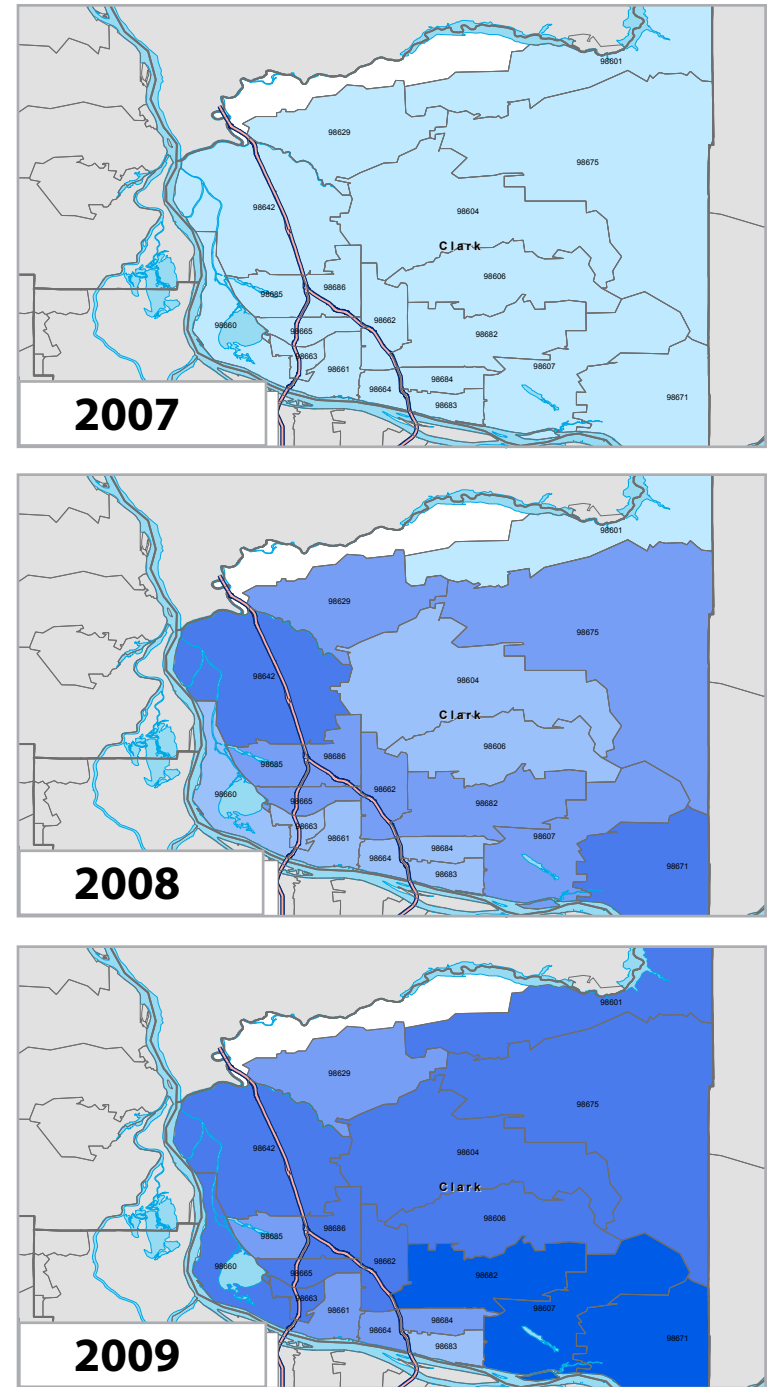
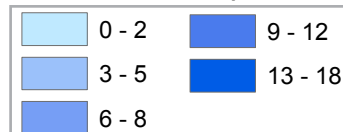


Figure 11. Bank Reversions by Zip Code in Clark County per 1,000 Housing Units (2009 est.) Filings per Year for 2007, 2008, 2009



Bank Reversions per 1,000 Housing Units



Note: "2007" includes data from May through December 2007, "2008" includes data from January through December 2008, and "2009" includes data from January through October 2009. Source: Realty Trac, ESRI 2009 Housing Estimates.

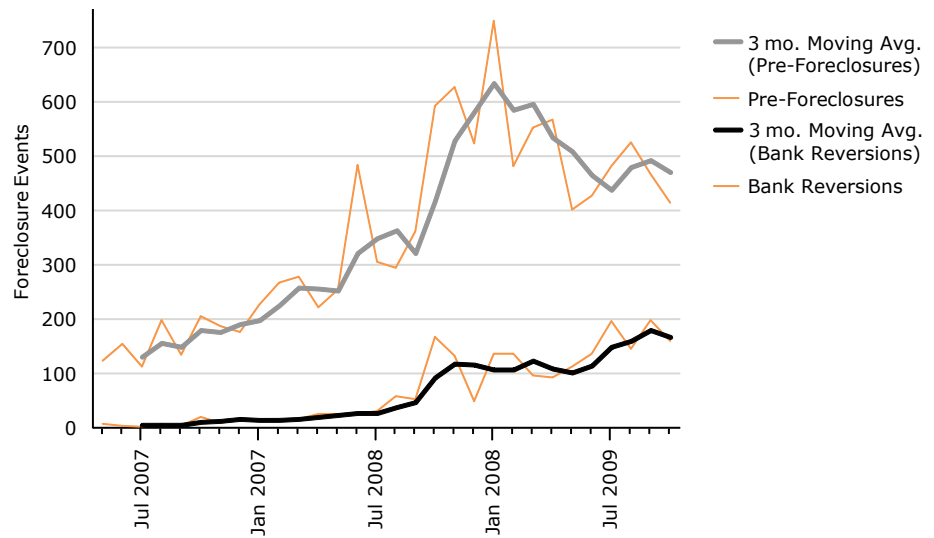
Multnomah County

Multnomah County is the most populous county in the Portland region, with a population of 714,567 in 2008. It encompasses the cities of Portland, Gresham and Troutdale. Given its high population, Multnomah County has—not surprisingly—recorded the largest number of foreclosures filings of all the counties covered in this report. On a per household basis, however, Multnomah County remains one of the strongest performing housing submarkets in the MSA. This is particularly true for the bank reversion rate, which was roughly 50% below the rate for Clark County in 2008 and 2009.

Large income disparities, the age of housing stock, and substantial ethnic concentrations have impacted the extent to which neighborhoods in Multnomah County have been affected by the foreclosure crisis.

Figures 12-14 show pre-foreclosure filing and bank reversion rates for Multnomah County between May 2007 and October 2009. Established neighborhoods in Inner Southeast and Northeast Portland neighborhoods, for instance, have remained largely unscathed by the foreclosure crisis, whereas areas along the I-205 corridor and in Gresham have had high foreclosure rates that are comparable with other hard-hit areas in the MSA. Zip codes hardest hit by the foreclosure crisis include 97266 (East Portland), 97236 (East Portland), and 97060 (Troutdale).

Figure 12. Foreclosure Activity in Multnomah County May 2007 - October 2009

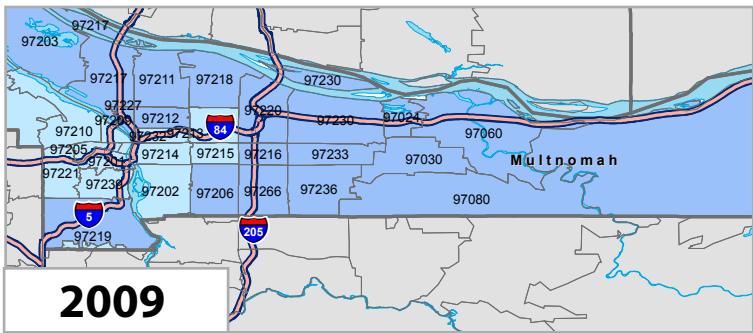
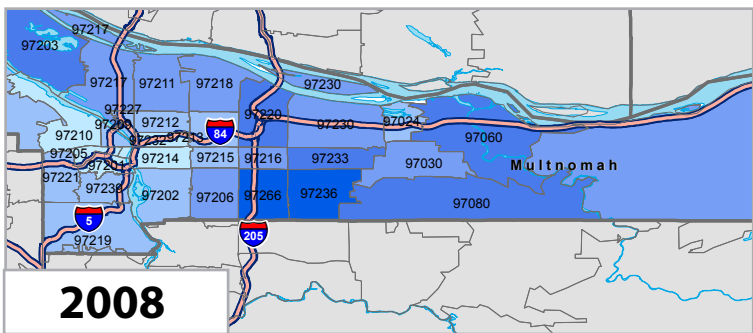
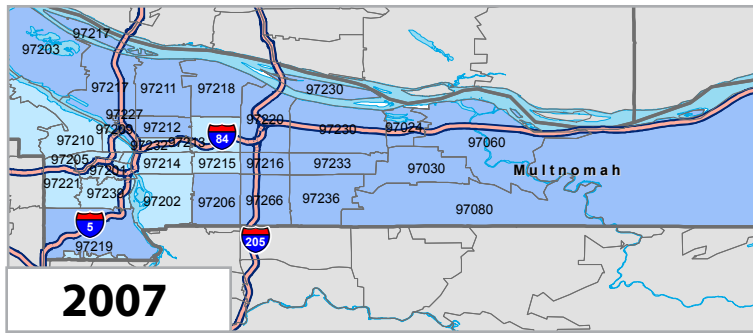


Source: Realty Trac, ESRI 2009 Housing Estimates

The percentage of loans originated by subprime specialists in Multnomah County was two percentage points higher than Washington County in 2004 and 2005 and remained one percentage point higher in 2006. Multnomah County also had higher percentages of high cost loans (greater than three percent over Treasury rates at time of origination) than Clackamas and Washington County.

For a detailed table, see Appendix A.

Figure 13. Pre-Foreclosure Filings by Zip Code in Multnomah County per 1,000 Housing Units (2009 est.) Filings per Year for 2007, 2008, 2009



Pre foreclosure Filings per 1,000 Housing Units

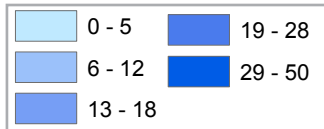
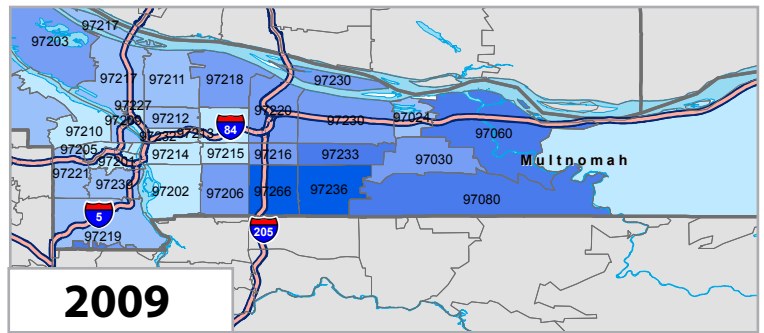
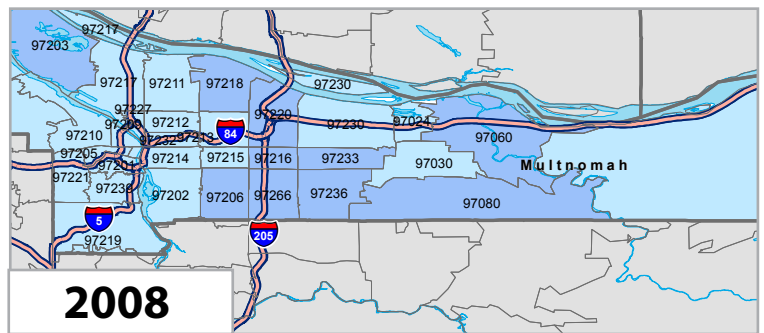
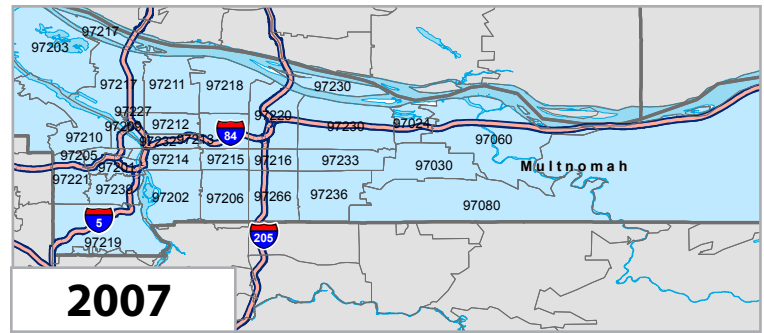
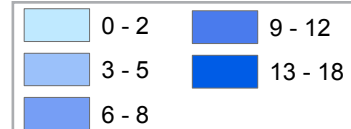


Figure 14. Bank Reversions by Zip Code in Multnomah County per 1,000 Housing Units (2009 est.) Filings per Year for 2007, 2008, 2009



Bank Reversions per 1,000 Housing Units



Note: "2007" includes data from May through December 2007, "2008" includes data from January through December 2008, and "2009" includes data from January through October 2009. Source: Realty Trac, ESRI 2009 Housing Estimates.

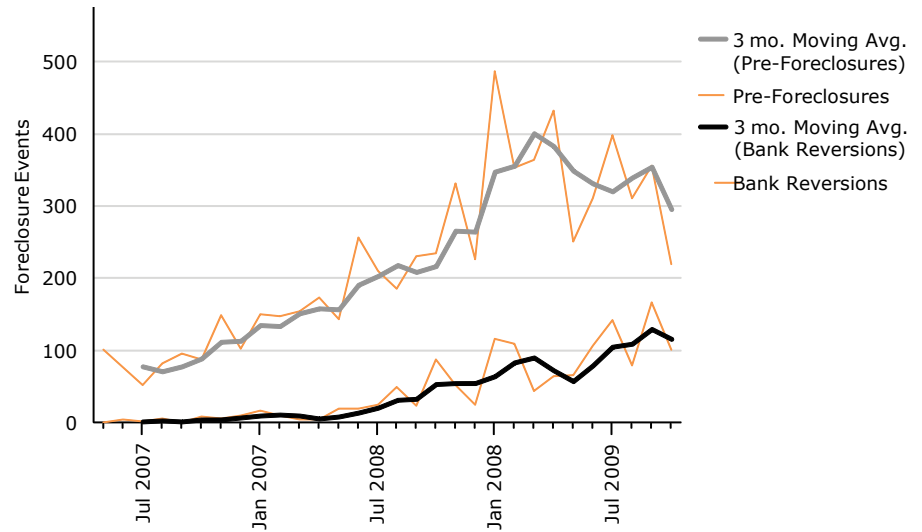
Washington County

Washington County is the second most populous county in the Portland region, with a population of 519,925 in 2008. A substantial share of the largest employers within the MSA is located within Washington County, providing employment and income stability to its residents, notably in Hillsboro and Beaverton. With many established neighborhoods, fewer large new developments built during the housing bubble, and a higher median income, Washington County had the lowest rates of subprime and high cost lending in the region in the years leading up to the foreclosure crisis.

These factors have likely contributed to greater resilience as the foreclosure crisis has unfolded, as shown by the near absence of bank reversions in 2007 and 2008. Figures 15-17 show pre-foreclosure filing and bank reversion rates for Washington County between May 2007 and October 2009. Pre-Foreclosure rates have also consistently remained lower than in any other county surveyed in this report. Sections located along the county's major transit corridors (Hwy 26 and 217) have seen little foreclosure activity, roughly similar to foreclosure filing rates in inner southeast and northeast Portland neighborhoods.

However, RealtyTrac data for 2009 suggests that Washington County is seeing increasing foreclosure activity. For the first time since the housing market has been in decline, the county has posted a greater

Figure 15. Foreclosure Activity in Washington County
May 2007 - October 2009

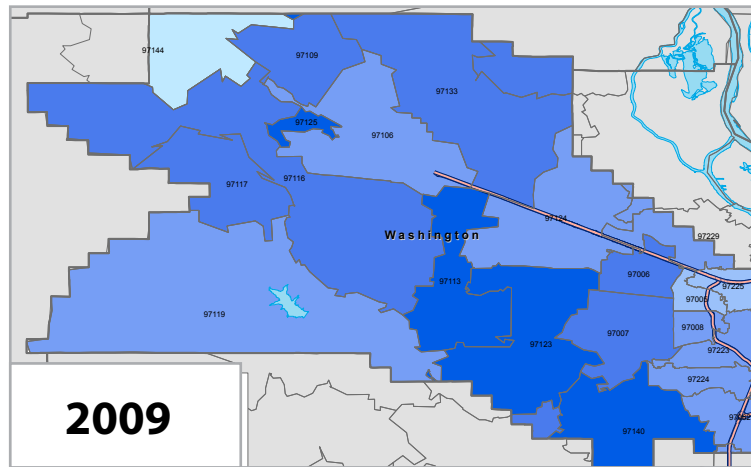
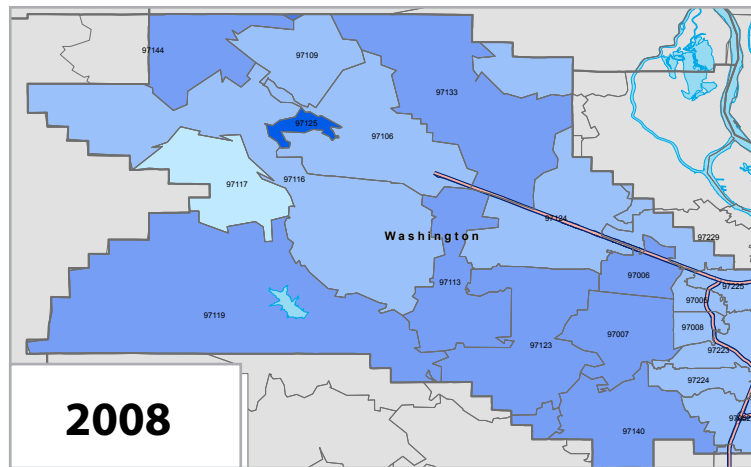
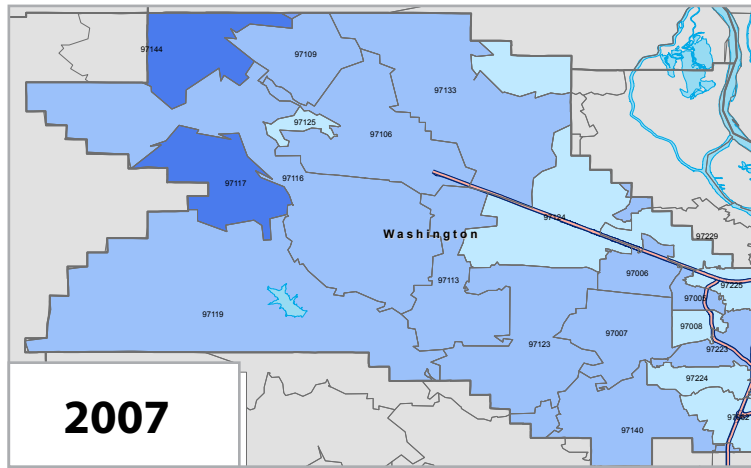


Source: Realty Trac, ESRI 2009 Housing Estimates

bank reversion rate than Multnomah County. Repossessions have been increasingly prevalent in parts of Washington County that have witnessed substantial housing development in recent years, such as Sherwood, Cornelius and Hillsboro (on the southern border of the county). Similarly, several subdivisions and master-planned communities developed on land that was recently added to the urban growth boundary (UGB) on the north side of NW Springville Road are also showing signs of weakness. The evidence of housing distress in areas with large additions of housing inventory provides evidence in favor of Portland's urban growth boundary, which is a means of protecting the city against more widespread supply-demand imbalances.

For a detailed table, see Appendix A.

Figure 16. Pre-Foreclosure Filings by Zip Code in Washington County per 1,000 Housing Units (2009 est.) Filings per Year for 2007, 2008, 2009



Preforeclosure Filings per 1,000 Housing Units

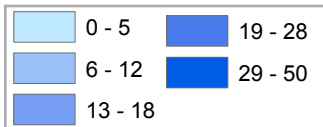
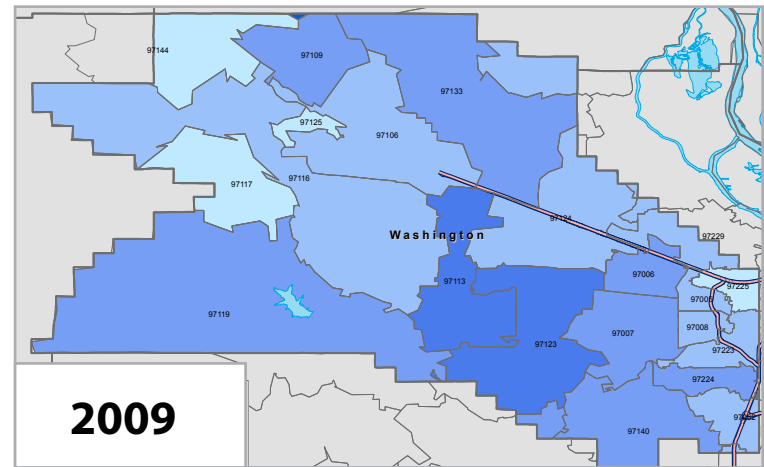
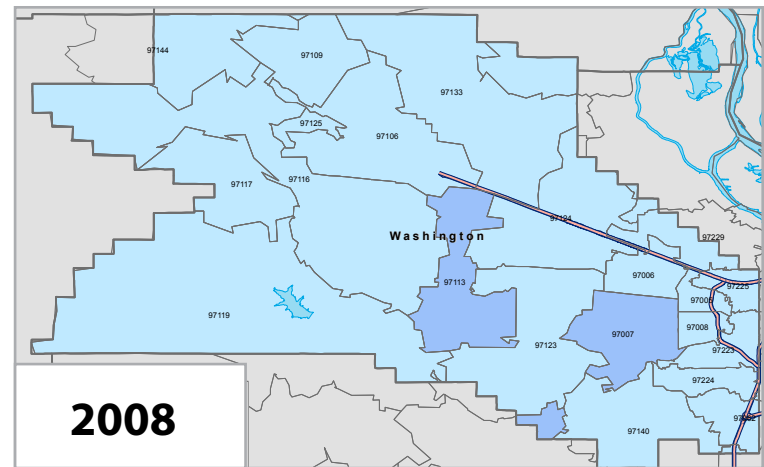
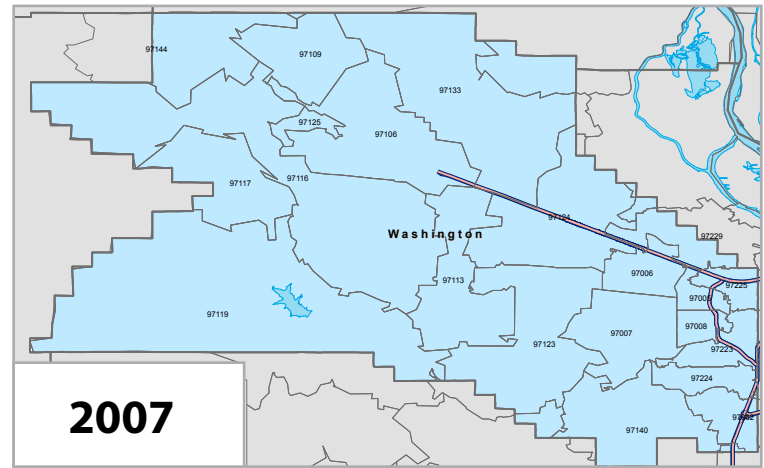
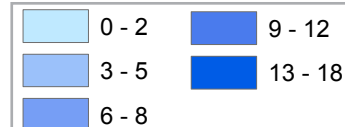


Figure 17. Bank Reversions by Zip Code in Washington County per 1,000 Housing Units (2009 est.) Filings per Year for 2007, 2008, 2009



Bank Reversions per 1,000 Housing Units



Note: "2007" includes data from May through December 2007, "2008" includes data from January through December 2008, and "2009" includes data from January through October 2009. Source: Realty Trac, ESRI 2009 Housing Estimates.

Yamhill County

Overview

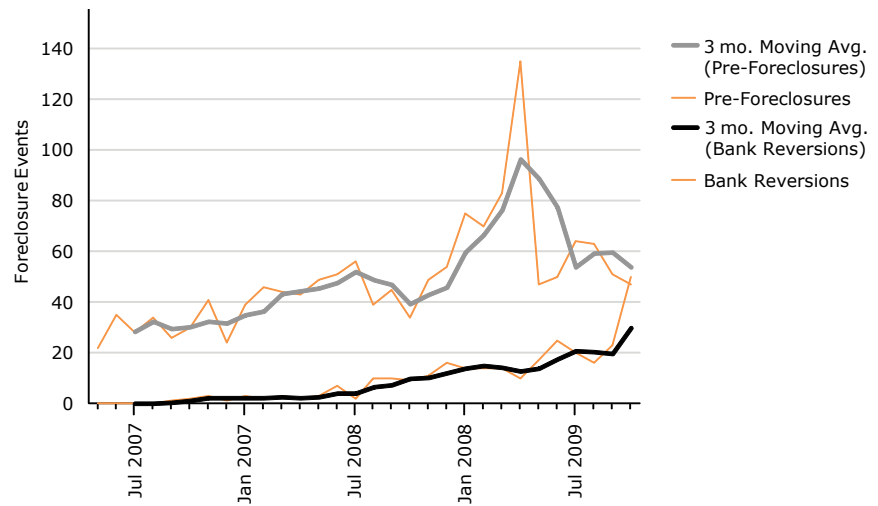
Yamhill County is a rural, agriculturally-based county with several small towns along the Highway 99 corridor, including McMinnville and Newberg. Residents commute to both Salem and Portland for work. Yamhill County saw higher than regional average rates of lending by subprime lenders (20% in 2004, 15% in 2005, and 10% in 2006) and of high cost loans (15% in 2004, 26% in 2005, 27% in 2006, 18% in 2007, and 10% in 2008). These risky loans make Yamhill County particularly vulnerable to crisis.

In terms of the pre-foreclosure rate, Yamhill County has been the most severely affected county within the MSA. Much like Clark County, Yamhill County was also an early victim of the foreclosure crisis, leading the pack in 2007 and most of 2008 as far as the pre-foreclosure rate is concerned. In contrast to Clark County, however, bank reversions have been less swift and are roughly in-line with the rate for Clackamas County.

Figures 18-20 show pre-foreclosure filing and bank reversion rates for Washington County between May 2007 and October 2009. The highest concentration of foreclosure activity in Yamhill County is in and around the towns of Lafayette, McMinnville and Willamina.

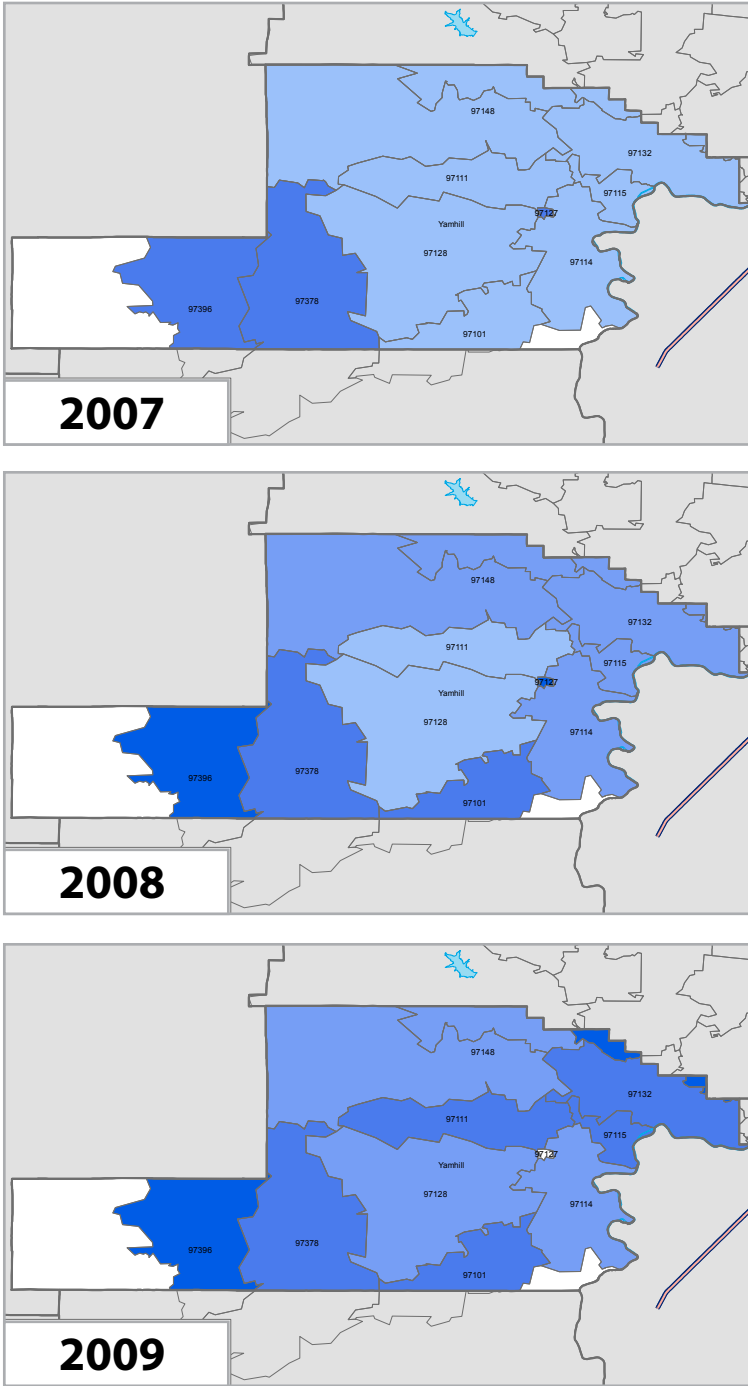
For a detailed table, see Appendix A.

Figure 18. Foreclosure Activity in Yamhill County
May 2007 - October 2009



Source: Realty Trac, ESRI 2009 Housing Estimates

Figure 19. Pre-Foreclosure Filings by Zip Code in Yamhill County per 1,000 Housing Units (2009 est.) Filings per Year for 2007, 2008, 2009



Preforeclosure Filings per 1,000 Housing Units

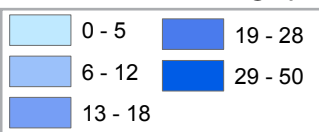
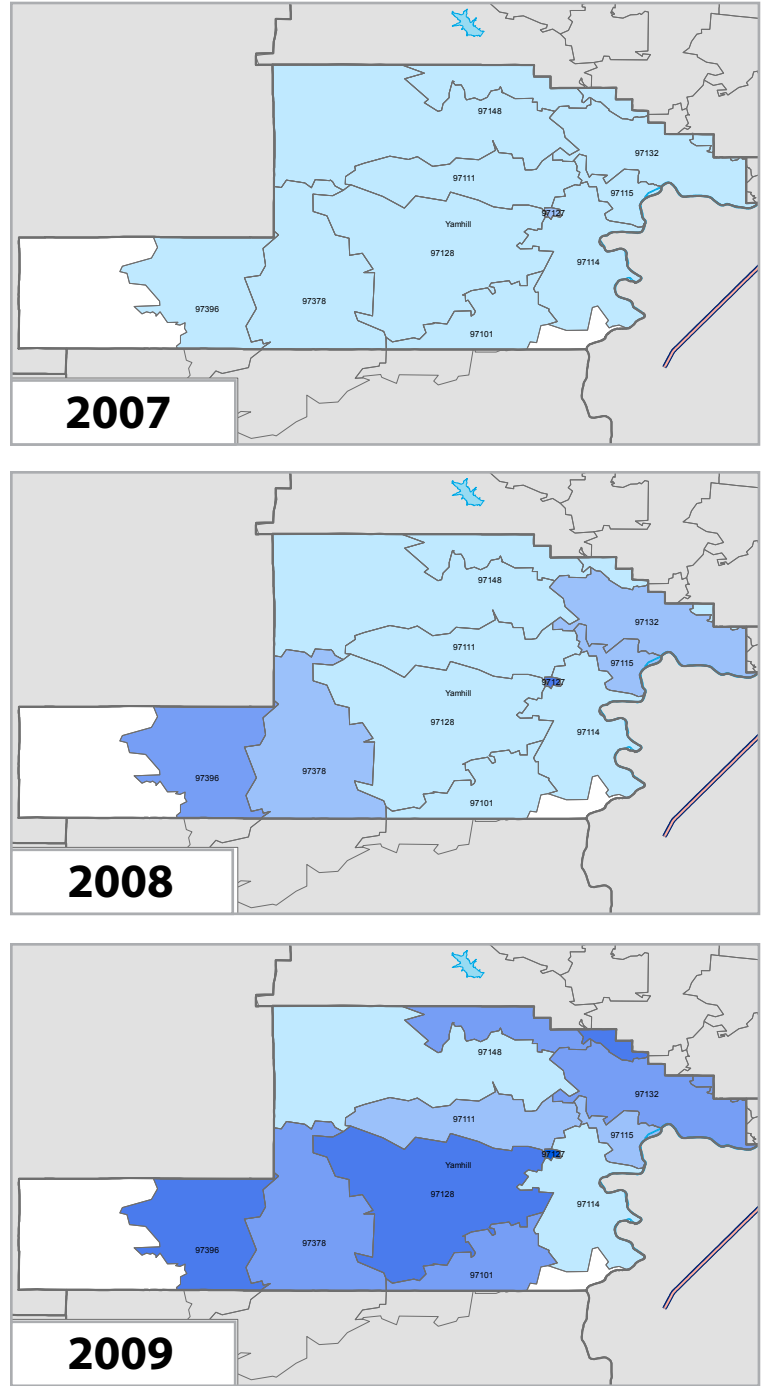
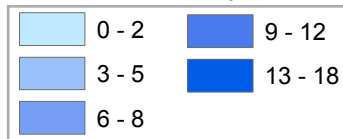


Figure 20. Bank Reversions by Zip Code in Yamhill County per 1,000 Housing Units (2009 est.) Filings per Year for 2007, 2008, 2009



Bank Reversions per 1,000 Housing Units



Note: "2007" includes data from May through December 2007, "2008" includes data from January through December 2008, and "2009" includes data from January through October 2009. Source: Realty Trac, ESRI 2009 Housing Estimates.

Conclusion

Summary

The Portland MSA has seen less foreclosure activity than other MSAs that grew rapidly during the housing boom. However, areas of the Portland MSA with extensive new developments and relatively high amounts of risky lending during early to mid 2000s, have experienced a higher rate of foreclosure activity. This article has provided insight into local-level trends that have not previously been published. Foreclosure rates are compounded by other economic factors, including unemployment rates. In fact, foreclosure rates may continue to rise even as the economy recovers, particularly if high unemployment persists. In the future, counties should work to provide timely tracking of foreclosure data to policymakers and the public in order to shed light on real estate trends.

Preferred Citation

IMS encourages the redistribution and discussion of this brief, as long as it is referenced. Please cite it as:

“Foreclosure Activity in the Portland-Vancouver Region. March 2010. Institute of Portland Metropolitan Studies. Webb Sprague, Emily Picha, Nicole Iroz Elardo, Tom Heinicke,”

Acknowledgments

We would like to thank RealtyTrac for its cooperation in sharing local foreclosure counts. We would also like to thank the National Neighborhood Indicators Partnership for its continued support.

In addition, we would like to thank Tom Heinicke for his editorial contributions to this article. Tom runs www.agent503.com, a resource for prospective home buyers in the Portland region.

APPENDICES

Appendix A: Detailed County Data

Clackamas County

Demographic and Economic Attributes by Zip Code, Clackamas County

Zip	Post Office Name	Population	MHI	Owner Occ %	Median Value	Annual Growth	2007 Pre Rate	2008 Pre Rate	2009 Pre Rate	2007 REO Rate	2008 REO Rate	2009 REO Rate
97004	Beavercreek	4,536	72,111	88%	\$393,372	0.4%	7.27	7.88	16.00	0.00	2.42	4.36
97009	Boring	8,083	67,829	85%	\$349,811	0.5%	1.93	9.67	23.60	0.48	1.29	5.80
97011	Brightwood	1,284	62,962	78%	\$241,667	1.7%	7.14	9.52	17.14	1.79	0.00	5.71
97013	Canby	22,911	62,107	73%	\$301,055	1.7%	4.92	9.61	19.97	0.18	1.41	4.50
97015	Clackamas	21,196	62,978	61%	\$307,864	1.4%	3.06	10.09	23.27	0.17	1.36	4.35
97017	Colton	3,028	65,491	83%	\$352,893	0.4%	14.18	16.07	30.62	1.42	0.00	5.67
97022	Eagle Creek	3,829	60,037	86%	\$290,000	0.6%	6.47	14.37	31.03	0.00	0.00	6.03
97023	Estacada	10,121	60,511	78%	\$289,255	0.8%	8.51	16.49	29.51	0.00	3.51	10.70
97027	Gladstone	13,206	61,951	69%	\$271,617	0.8%	8.55	12.59	18.64	0.00	3.15	7.08
97028	Gov't Camp	475	64,830	71%	\$290,000	2.2%	0.00	2.30	16.57	0.00	1.15	2.76
97034	Lake Oswego	20,454	102,111	77%	\$560,323	1.0%	2.96	11.51	17.30	0.52	1.98	8.09
97035	Lake Oswego	23,860	72,934	65%	\$412,846	0.4%	3.97	11.03	18.60	0.27	1.37	9.08
97038	Molalla	15,076	60,662	72%	\$249,608	1.7%	8.74	20.66	30.93	0.79	3.53	9.53
97042	Mulino	2,992	70,641	87%	\$393,000	0.4%	3.93	12.22	20.94	0.00	3.49	4.19
97045	Oregon City	53,475	64,492	73%	\$311,277	1.8%	6.46	14.94	35.98	0.52	1.43	7.24
97049	Rhododendron	2,144	64,287	74%	\$269,688	2.1%	11.34	11.97	19.66	0.95	0.63	5.29
97055	Sandy	17,335	61,096	77%	\$282,090	2.5%	6.59	21.21	38.55	0.68	4.70	12.91
97067	Welches	1,693	63,504	78%	\$232,566	2.0%	7.74	21.67	21.05	0.00	2.06	3.72
97068	West Linn	29,268	96,089	78%	\$469,048	1.5%	6.67	16.23	25.86	0.39	3.05	10.57
97070	Wilsonville	18,044	67,513	56%	\$368,935	1.9%	4.87	9.11	12.88	0.37	2.37	3.59
97086	Happy Valley	24,326	78,192	71%	\$444,389	4.1%	9.41	41.75	39.33	0.49	9.30	17.13
97089	Damascus	9,193	88,820	91%	\$430,651	2.1%	14.17	28.03	41.20	0.00	2.83	11.72
97222	Portland	37,449	54,626	56%	\$244,388	0.6%	6.58	11.75	15.20	0.09	2.01	4.60
97267	Portland	30,609	63,295	70%	\$285,220	0.7%	9.35	14.99	20.26	0.59	3.63	5.21

Source: Realty Trac, ESRI 2009 Housing Estimates.

Notes: "MHI" refers to the median household income in the zip code. "Pre Rate" refers to the rate of pre-foreclosure notices per 1000 housing units. "REO Rate" refers to the rate of bank reversions per 1000 housing units. "Annual Growth" is calculated since the 2000 Census.

Clark County

Demographic and Economic Attributes by Zip Code, Clark County

Zip	Post Office Name	Population	MHI	Owner Occ %	Median Value	Annual Growth	2007 Pre Rate	2008 Pre Rate	2009 Pre Rate	2007 REO Rate	2008 REO Rate	2009 REO Rate
98601	Amboy	2,792	58,739	85%	\$287,500	2.30%	0.00	3.11	19.90	1.55	1.04	9.95
98604	Battle Ground	33,215	71,296	83%	\$291,785	3.80%	9.98	12.42	26.93	0.93	4.97	10.43
98606	Brush Prairie	9,561	80,012	89%	\$408,159	1.50%	6.14	8.50	16.62	0.00	2.83	10.20
98607	Camas	26,442	82,921	81%	\$341,367	4.10%	8.86	19.90	29.72	1.24	6.11	16.66
98629	La Center	8,613	68,300	86%	\$317,582	2.60%	6.48	15.95	21.93	0.00	7.64	7.98
98642	Ridgefield	15,009	73,065	80%	\$372,655	2.60%	10.86	17.66	23.94	1.06	8.30	11.02
98660	Vancouver	12,578	37,844	47%	\$204,776	2.00%	6.46	10.17	13.03	1.03	3.96	9.52
98661	Vancouver	43,321	43,771	43%	\$216,390	2.00%	7.26	9.68	15.56	0.81	5.16	7.42
98662	Vancouver	31,915	62,703	67%	\$234,182	2.90%	10.01	17.17	27.35	1.22	7.49	10.55
98663	Vancouver	14,916	52,932	58%	\$215,590	0.60%	7.91	11.32	18.42	0.47	4.50	9.67
98664	Vancouver	23,424	60,139	59%	\$242,038	1.40%	6.70	13.20	14.62	0.61	2.74	6.09
98665	Vancouver	25,072	59,946	63%	\$254,789	2.10%	8.14	12.02	19.89	0.73	6.11	9.77
98671	Washougal	20,009	63,010	76%	\$265,478	3.30%	13.37	24.10	31.03	1.13	9.66	17.77
98675	Yacolt	6,987	64,703	85%	\$314,728	1.90%	10.63	17.01	19.27	0.00	5.67	9.07
98682	Vancouver	52,919	65,475	72%	\$228,783	2.40%	12.75	18.88	33.04	2.18	6.78	13.55
98683	Vancouver	33,454	65,172	62%	\$289,187	1.90%	6.39	8.74	11.93	0.75	2.63	4.69
98684	Vancouver	29,682	66,171	61%	\$234,179	3.50%	8.71	9.11	16.83	0.67	2.59	5.36
98685	Vancouver	27,602	76,635	79%	\$290,367	2.90%	6.63	12.10	17.17	0.43	5.86	7.38
98686	Vancouver	17,735	74,086	75%	\$308,577	2.90%	9.81	12.19	27.28	1.78	6.09	11.06

Source: Realty Trac, ESRI 2009 Housing Estimates.

Notes: "MHI" refers to the median household income in the zip code. "Pre Rate" refers to the rate of pre-foreclosure notices per 1000 housing units. "REO Rate" refers to the rate of bank reversions per 1000 housing units. "Annual Growth" is calculated since the 2000 Census.

Multnomah County

Demographic and Economic Attributes by Zip Code, Multnomah County

Zip code	Post Office Name	Population	MHI	Owner Occ %	Median Value	Annual Growth	2007 Pre Rate	2008 Pre Rate	2009 Pre Rate	2007 REO Rate	2008 REO Rate	2009 REO Rate
97010	Bridal Veil	0	0	0%	\$0	0.00%	0.00	0.00	0.00	0.00	0.00	0.00
97019	Corbett	3,035	73,701	80%	\$374,370	0.30%	7.79	16.44	18.69	0.00	1.73	1.04
97024	Fairview	9,795	56,351	63%	\$214,487	2.00%	5.52	11.78	20.90	0.74	2.21	4.42
97030	Gresham	34,732	53,934	50%	\$264,954	1.40%	6.06	13.10	20.23	0.21	1.95	6.02
97060	Troutdale	20,703	69,525	71%	\$275,919	1.60%	7.90	22.12	34.13	0.20	3.42	8.22
97080	Gresham	43,426	68,557	68%	\$326,788	1.90%	8.09	20.44	26.31	0.44	3.44	8.25
97201	Portland	13,959	42,578	25%	\$610,320	1.20%	1.06	4.64	7.39	0.30	0.50	2.30
97202	Portland	38,517	53,358	51%	\$305,074	0.40%	3.07	6.68	7.82	0.08	0.27	1.68
97203	Portland	29,848	47,558	56%	\$209,879	0.80%	8.00	20.04	23.95	0.26	3.70	5.99
97204	Portland	1,291	12,338	1%	\$0	0.30%	0.00	4.42	29.20	0.00	0.00	0.00
97205	Portland	7,302	26,007	13%	\$613,095	0.40%	1.06	1.41	3.17	0.00	0.70	1.06
97206	Portland	46,975	51,739	63%	\$218,957	0.60%	7.30	17.77	24.34	0.60	2.76	6.81
97209	Portland	12,223	32,387	22%	\$442,145	4.50%	2.99	10.17	14.46	0.79	1.89	4.78
97210	Portland	10,298	60,053	35%	\$662,983	0.70%	0.70	3.41	8.37	0.00	0.77	1.67
97211	Portland	32,415	54,258	65%	\$235,148	0.40%	9.91	17.71	22.97	0.11	1.58	4.41
97212	Portland	24,409	66,558	63%	\$394,513	0.40%	4.72	9.71	9.92	0.27	0.81	2.70
97213	Portland	30,306	58,521	60%	\$274,624	0.40%	3.51	8.22	9.53	0.21	0.64	2.38
97214	Portland	23,776	50,960	36%	\$343,349	0.30%	2.10	3.35	6.36	0.12	0.31	1.22
97215	Portland	17,285	62,196	61%	\$319,614	0.40%	4.19	7.74	8.53	0.19	1.27	1.52
97216	Portland	15,875	52,163	61%	\$220,268	1.90%	6.40	14.63	22.86	0.23	3.35	6.04
97217	Portland	31,173	51,226	65%	\$212,985	0.50%	8.38	16.98	19.20	0.21	2.24	3.77
97218	Portland	14,912	52,809	63%	\$219,295	0.60%	9.93	16.12	19.34	0.25	2.71	6.31
97219	Portland	38,624	72,714	68%	\$359,363	0.50%	5.00	9.19	13.97	0.35	1.35	3.09
97220	Portland	32,013	52,309	59%	\$231,103	0.80%	8.87	19.10	21.86	1.32	2.72	7.29
97221	Portland	11,846	81,830	72%	\$456,041	0.40%	3.70	7.01	10.92	0.00	0.38	3.41
97227	Portland	3,377	40,573	48%	\$226,776	0.40%	6.00	10.67	8.01	0.00	1.33	1.60
97230	Portland	37,666	54,734	61%	\$281,906	0.70%	6.82	13.33	21.83	0.19	1.50	6.06
97231	Portland	4,647	76,896	81%	\$485,057	0.70%	7.32	8.30	13.47	0.00	1.95	4.10
97232	Portland	11,487	53,646	34%	\$369,287	0.70%	1.99	3.98	5.84	0.00	0.30	1.24
97233	Portland	37,290	48,871	54%	\$225,053	1.30%	9.98	20.46	29.41	0.87	2.46	8.41
97236	Portland	32,010	56,803	61%	\$240,365	2.00%	9.65	29.92	40.02	0.63	4.76	14.14
97239	Portland	13,382	68,391	55%	\$445,102	0.90%	2.30	9.74	19.04	0.21	1.25	4.84
97266	Portland	31,277	50,444	59%	\$222,711	1.20%	11.13	30.35	42.16	1.11	4.12	15.54

Source: Realty Trac, ESRI 2009 Housing Estimates.

Notes: "MHI" refers to the median household income in the zip code. "Pre Rate" refers to the rate of pre-foreclosure notices per 1000 housing units. "REO Rate" refers to the rate of bank reversions per 1000 housing units. "Annual Growth" is calculated since the 2000 Census.

Washington County

Demographic and Economic Attributes by Zip Code, Washington County

Zip code	Post Office Name	Population	MHI	Owner Occ %	Median Value	Annual Growth	2007 Pre Rate	2008 Pre Rate	2009 Pre Rate	2007 REO Rate	2008 REO Rate	2009 REO Rate
97005	Beaverton	24,465	45,897	41%	\$249,572	0.80%	5.15	8.72	10.02	0.28	1.11	4.79
97006	Beaverton	64,699	63,649	53%	\$290,932	2.30%	5.60	13.48	21.76	0.40	1.64	6.72
97007	Beaverton	68,994	72,134	63%	\$341,320	2.10%	6.45	15.57	25.26	0.29	2.63	6.85
97008	Beaverton	31,375	61,377	56%	\$318,673	1.10%	2.95	8.03	13.90	0.00	0.83	4.45
97062	Tualatin	28,919	69,856	57%	\$375,255	1.90%	4.33	7.89	15.28	0.25	0.68	3.87
97106	Banks	4,984	74,960	82%	\$374,836	2.00%	4.94	7.69	15.16	0.00	1.65	3.95
97109	Buxton	534	63,778	84%	\$351,613	0.80%	7.85	10.47	25.13	0.00	0.00	6.28
97113	Cornelius	13,307	61,621	74%	\$219,577	1.20%	6.33	17.12	41.37	0.00	3.28	9.01
97116	Forest Grove	24,923	56,701	59%	\$267,002	1.60%	5.24	10.06	22.36	0.16	1.06	4.83
97117	Gales Creek	530	69,230	78%	\$363,514	0.50%	20.83	0.00	22.22	0.00	0.00	0.00
97119	Gaston	5,164	65,971	80%	\$442,038	1.00%	6.57	12.04	16.42	0.00	1.09	5.91
97123	Hillsboro	44,735	66,345	68%	\$289,501	2.40%	7.64	16.45	33.05	0.39	1.48	10.53
97124	Hillsboro	48,708	70,128	51%	\$321,937	2.60%	4.20	8.83	14.55	0.15	1.67	4.06
97125	Manning	93	62,351	80%	\$380,000	0.50%	0.00	31.25	37.50	0.00	0.00	0.00
97133	North Plains	4,416	76,435	77%	\$401,087	2.00%	6.13	12.27	23.83	0.00	2.34	6.31
97140	Sherwood	22,456	87,428	80%	\$352,000	3.20%	8.77	16.47	31.37	0.18	1.91	7.02
97144	Timber	183	64,188	81%	\$375,000	0.60%	19.74	13.16	63.16	0.00	0.00	0.00
97223	Portland	46,430	64,816	59%	\$347,356	1.30%	5.29	9.07	13.62	0.31	1.40	3.54
97224	Portland	32,660	63,311	66%	\$337,760	2.00%	4.07	11.33	17.42	0.00	1.56	5.62
97225	Portland	24,412	64,839	57%	\$402,308	1.00%	2.74	6.14	8.86	0.25	0.66	2.29
97229	Portland	54,331	96,070	75%	\$473,048	2.80%	3.21	7.89	12.73	0.14	1.28	4.11

Source: Realty Trac, ESRI 2009 Housing Estimates.

Notes: "MHI" refers to the median household income in the zip code. "Pre Rate" refers to the rate of pre-foreclosure notices per 1000 housing units. "REO Rate" refers to the rate of bank reversions per 1000 housing units. "Annual Growth" is calculated since the 2000 Census.

Yamhill County

Demographic and Economic Attributes by Zip Code, Yamhill

Zip code	Post Office Name	Population	MHI	Owner Occ %	Median Value	Annual Growth	2007 Pre Rate	2008 Pre Rate	2009 Pre Rate	2007 REO Rate	2008 REO Rate	2009 REO Rate
97101	Amity	3,538	58,346	75%	\$250,000	1.20%	7.23	24.12	18.33	0.00	1.61	5.79
97111	Carlton	3,370	56,096	77%	\$274,485	1.60%	9.53	9.53	21.92	0.00	0.00	3.81
97114	Dayton	5,745	54,820	73%	\$239,367	1.50%	7.50	15.49	16.79	0.75	0.00	1.80
97115	Dundee	4,282	67,717	83%	\$314,394	1.90%	11.24	13.11	26.22	0.00	2.50	4.49
97127	Lafayette	2,530	48,801	76%	\$161,475	0.40%	22.65	49.94	64.11	3.48	9.29	13.94
97128	McMinnville	35,301	54,043	64%	\$239,633	1.90%	6.68	10.02	17.02	0.00	1.19	8.20
97132	Newberg	28,569	63,892	69%	\$260,871	1.90%	9.00	14.91	26.55	0.56	2.44	6.07
97148	Yamhill	3,389	65,565	82%	\$372,857	1.10%	8.47	12.10	15.48	0.00	1.61	1.94
97378	Sheridan	8,617	50,812	66%	\$223,300	0.70%	22.07	23.23	27.41	0.00	3.87	6.04
97396	Willamina	3,187	46,918	71%	\$197,131	1.40%	25.94	33.81	30.19	0.00	7.86	12.26

Source: Realty Trac, ESRI 2009 Housing Estimates.

Notes: "MHI" refers to the median household income in the zip code. "Pre Rate" refers to the rate of pre-foreclosure notices per 1000 housing units. "REO Rate" refers to the rate of bank reversions per 1000 housing units. "Annual Growth" is calculated since the 2000 Census.

Appendix B: Subprime and High Interest Rate Lending

Subprime* Conventional (Non-FHA, Non-VA; Includes Fixed and Adjustable Rates) Loans

	2004		2005		2006	
	Total # of Loans	By Subprime Lenders	Total # of Loans	By Subprime Lenders	Total # of Loans	By Subprime Lenders
Clackamas	19384	17%	23869	14%	20312	9%
Columbia	2359	22%	3070	17%	2863	11%
Multnomah	37162	18%	45366	15%	40369	9%
Washington	25840	16%	33250	13%	28811	8%
Yamhill	3781	20%	5000	15%	5099	10%
Clark	24399	20%	32335	18%	26557	11%
Skamania	449	17%	557	15%	540	8%
PDX MSA	113,374	18%	143,447	15%	124,551	9%

*Loans provided by lenders specializing in subprime mortgage vehicles. Note: 2007-2008 data currently unavailable. Source: HMDA

High* Interest Rate Conventional (Non-FHA, Non-VA; Includes Fixed and Adjustable Rates) Loans

	2004		2005		2006		2007		2008	
	# of Loans	High Interest Rates	# of Loans	High Interest Rates	# of Loans	High Interest Rates	# of Loans	High Interest Rates	# of Loans	High Interest Rates
Clackamas	19384	10%	23869	22%	20312	23%	16289	14%	9048	6%
Columbia	2359	16%	3070	28%	2863	30%	2300	17%	1190	9%
Multnomah	37162	12%	45366	24%	40369	25%	32103	14%	17759	5%
Washington	25840	11%	33250	21%	28811	22%	21996	13%	12083	5%
Yamhill	3781	15%	5000	26%	5099	27%	3702	18%	2023	10%
Clark	24399	12%	32335	26%	26557	28%	18991	16%	9707	6%
Skamania	449	13%	557	24%	540	24%	469	20%	255	6%
PDX MSA		12%		24%		25%	95,850	14%	52,065	5%

*High interest rates defined as >3% of Federal Treasury Rate at time of origination. Source: HMDA