Rising Foreclosures in Greater KCMO

Money Smart Day at the Fed

Kelly D. Edmiston
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U.S. Foreclosure Rate

Source: Mortgage Bankers Association
KS/MO Foreclosure Rates

Source: Mortgage Bankers Association
Defining the Problem

- “Nonprime” Mortgage Share
  - Subprime Mortgages
  - Alt-A Mortgages

- Payment Shock for Non-Traditional Mortgages
  - Adjustable-Rate Mortgages (ARMs)
  - Interest-Only Mortgages
  - Payment Option ARMs

- Adverse Equity Position
  - Declining Home Price Appreciation (or Depreciation)
  - High LTV originations
  - Cash-Out Refinancing
Foreclosure Rate by Mortgage Type

Source: Mortgage Bankers Association
Originations by Type

Source: Inside Mortgage Finance
Non-Traditional Mortgage Originations

Source: Inside Mortgage Finance
Mortgage Resets

1st Wave – subprime resets nearly over

2nd Wave – Alt-A and option ARM Resets/recasts just beginning

Source: Loan Performance, UBS
Average Mortgage Interest Rates (30-Yr FRM)

Source: Federal Reserve Board of Governors
Property Values

Sources: Residential REALTORS Associations; Federal Housing Finance Authority
Characteristics of High Foreclosure Neighborhoods

- Income / Race / Ethnicity/Age
- Property Conditions
  - Home Value Appreciation
  - Vacancy Rates
  - Owner-Occupancy Rates
- Economic Conditions
  - Unemployment Rates
  - Self-Employment Rates
Characteristics of High Foreclosure Neighborhoods

Sources: U.S. Census Bureau; RealtyTrac
The Case of Kansas City

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Unemployment Rates

Source: U.S. Bureau of Labor Statistics
Unemployment Rates and Foreclosures

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Unemployment Rates and Foreclosures

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Kelly D. Edmiston
Senior Economist
Regional, Public, and Community Affairs Division
1 Memorial Drive
Kansas City, MO 64198-0001
(816) 881-2004
Kelly.edmiston@kc.frb.org