

**GREATER MINNESOTA
HOUSING FUND**



Greater Minnesota Foreclosure Crisis

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Program Officer
Greater Minnesota Housing Fund



BLANDIN FOUNDATION

THE MCKNIGHT FOUNDATION

A special project of The McKnight Foundation and Blandin Foundation

GMHF MISSION

To strengthen families and communities and promote economic vitality by supporting the creation and preservation of affordable housing throughout greater Minnesota.



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HISTORY

- A private, nonprofit organization
- Created in 1996 by Blandin Foundation and The McKnight Foundation
- Provides financial and technical assistance to communities in the 80 counties of greater Minnesota
- Collaborates with a variety of state, regional and local funding partners



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1996 – 2007
Affordable Housing Funded

283 Projects
6,347 Units financed
\$85.5 Million financing

GMHF PROGRAM AREAS

1. **Employer Assisted Housing –**
Engaging Employers
2. **Supportive Housing for the Homeless**
3. **Building Better Neighborhoods –**
“Starter Home” Initiative
4. **Growth Corridor Initiative –**
Regional Smart Growth Planning
5. **HRA Levy Initiative –**
Enhancing Local Resources
6. **Emerging Markets Homeownership Initiative –**
Expanding homeownership for communities of color
7. **Green Communities Initiative –**
Green Building and Design
8. **Foreclosure Crisis Response Initiative -**
Stabilizing families and communities
9. **Construction and Bridge Loan Programs –**
Interim resources for affordable housing development

Heritage Greens / Cambridge, MN | Developed by: MetroPlains

2007 Foreclosure Study

- Completed by Housing Link under contract with GMHF
- Goal: Obtain sheriff's sales counts from every Greater Minnesota county
- Calculate a foreclosure rate for each Greater Minnesota county
- Analyze a sample of detailed sheriff's sale records

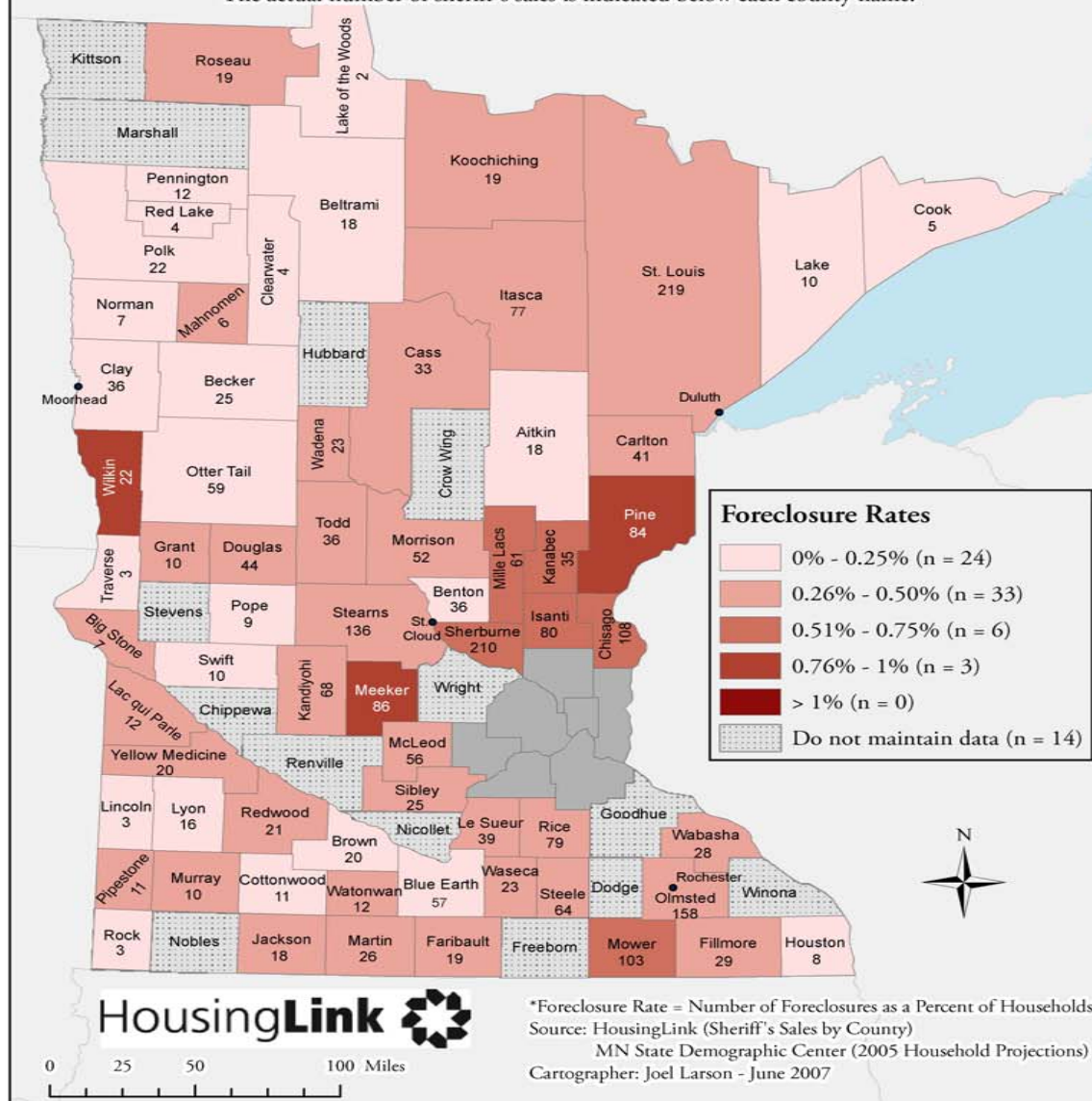
Key Findings

- Greater MN is facing a foreclosure crisis
- Greater MN foreclosures increased from 2,207 in 2005 to 8,721 in 2007 (projected).
- Foreclosure rates vary widely among counties
- Exurban and metro ring counties appear to be hardest-hit
- National estimates significantly understate the Greater MN problem

Greater Minnesota Foreclosure Rates* (2005)

by Total 2005 Households

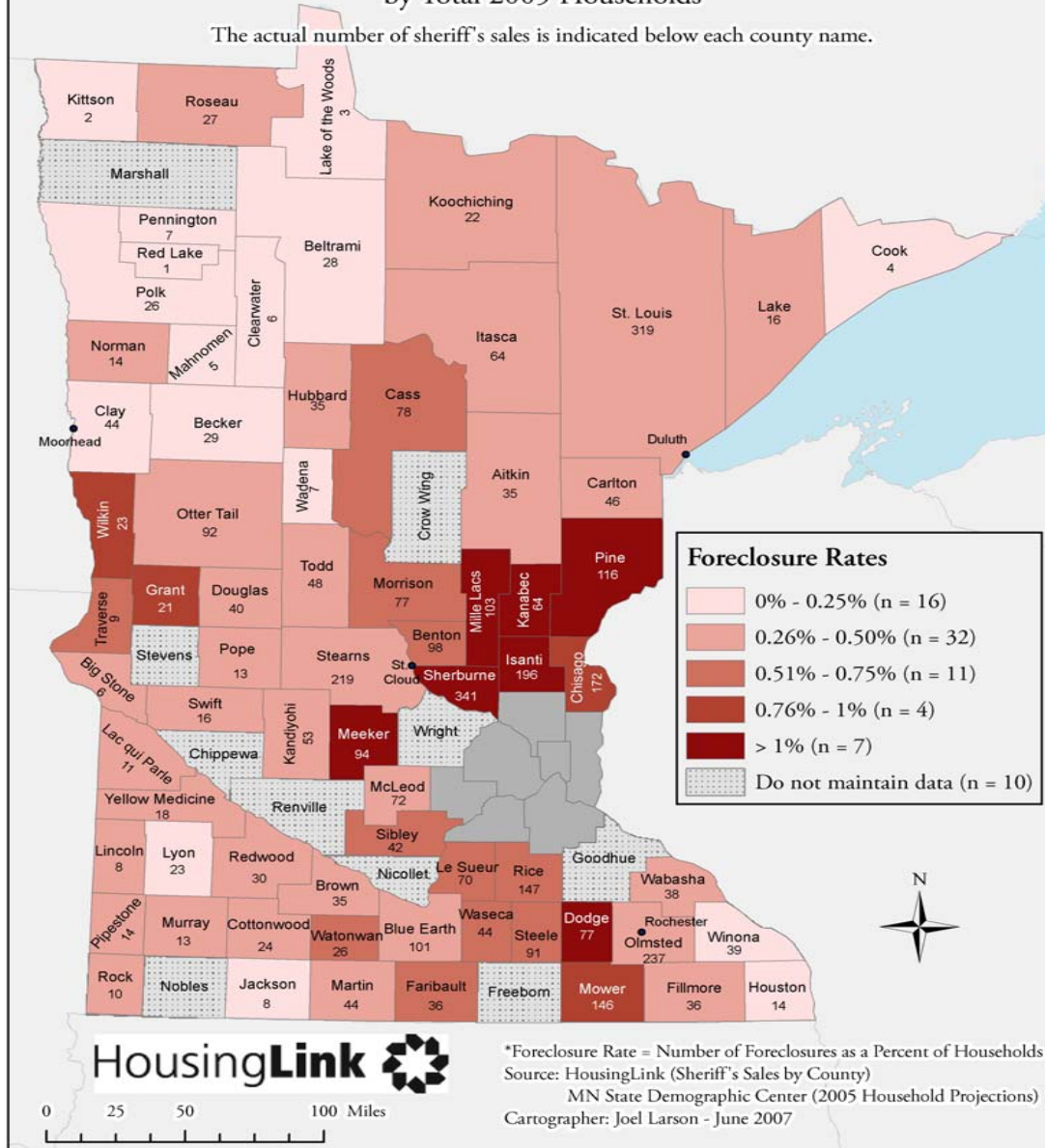
The actual number of sheriff's sales is indicated below each county name.



Greater Minnesota Foreclosure Rates* (2006)

by Total 2005 Households

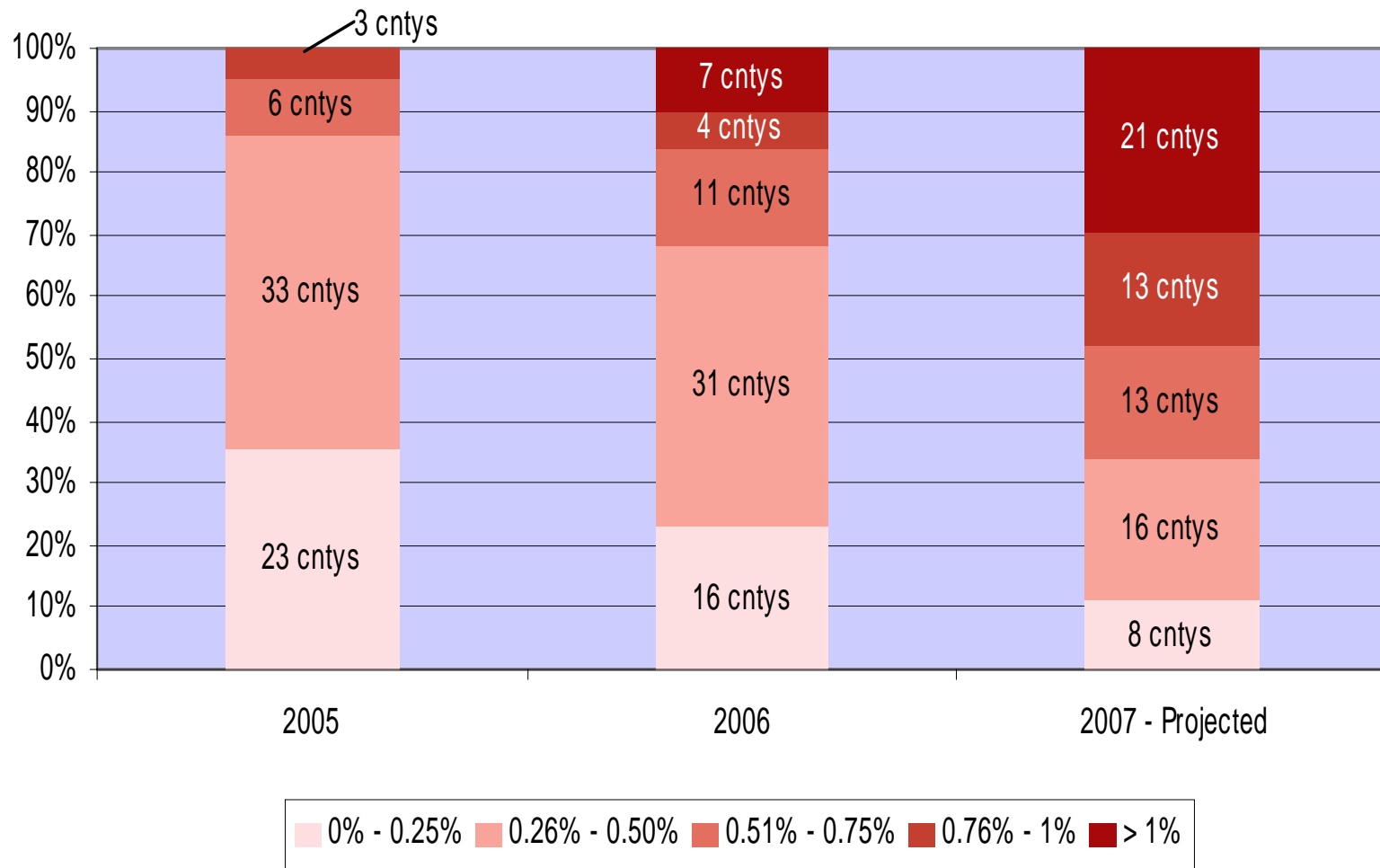
The actual number of sheriff's sales is indicated below each county name.



*Foreclosure Rate = Number of Foreclosures as a Percent of Households
 Source: HousingLink (Sheriff's Sales by County)
 MN State Demographic Center (2005 Household Projections)
 Cartographer: Joel Larson - June 2007

Foreclosure Rates in Greater MN

Percent of counties in each rate category



Impacted Counties (Top 5)

County	2007 Sheriff's Sales (Projected)*	2007 Foreclosure Rate (Projected)*	06-07 Percent Change (Projected)*
Wright	719	1.81	**
Sherburne	633	2.26	86%
Chisago	538	3.10	213%
Isanti	414	2.99	111%
Pine	295	2.69	154%
Total/Average (5-county)	2,599	2.36	128%

* Projected 2007 foreclosure rate is an estimate based on the number of sheriff's sales reported for Q1 2007. Actual rates will vary depending on conditions over the remainder of the year.

** Percent change in Wright County cannot be calculated as 2006 sheriff's sale information is unavailable. Average excludes Wright County.



RealtyTrac Foreclosure Rates Inaccurate for MN

- Nationally-cited data for MN is wrong, particularly for Greater MN

Organization	MN Foreclosures in 2006
HousingLink*	11,112
RealtyTrac*	5,995

* HousingLink counts a foreclosure at the point in time when it is sold at sheriff's auction. RealtyTrac counts foreclosures at three points in time: Notice of Default, Notice of Trustee or Foreclosure Sale, and Real Estate Owned.

Unanswered Questions

- What share of foreclosures are owner-occupied properties?
- Which lenders made these loans?
- Are there geographic concentrations in particular communities or neighborhoods?
- What are the characteristics of the borrowers and properties in foreclosure?
- When will this problem get better?

What Can Be Done?

- Statewide approach needed—key elements include:
- Foreclosure prevention counseling
 - Need to significantly increase resources for counseling to serve impacted areas
- Outreach, marketing and education to at-risk households
 - Key message for homeowners is to “act now”
 - Need to provide services to affected tenants

What Can Be Done?

- Legal and legislative strategy
 - Enforcement of existing laws, passage of additional legislation, and more funding for foreclosure prevention and remediation
- Neighborhood- and community-based work (need in Greater MN unclear)
 - Targeted acquisition and rehab of vacant and blighted properties in neighborhoods with clustered foreclosures

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***For more information on
foreclosure:
www.gmhf.com***



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