

# **Curbing the Mortgage Meltdown: *The Impact of Foreclosures on New York's Economy and Communities***

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## **An Analysis of Securitized Subprime Loans At Risk**

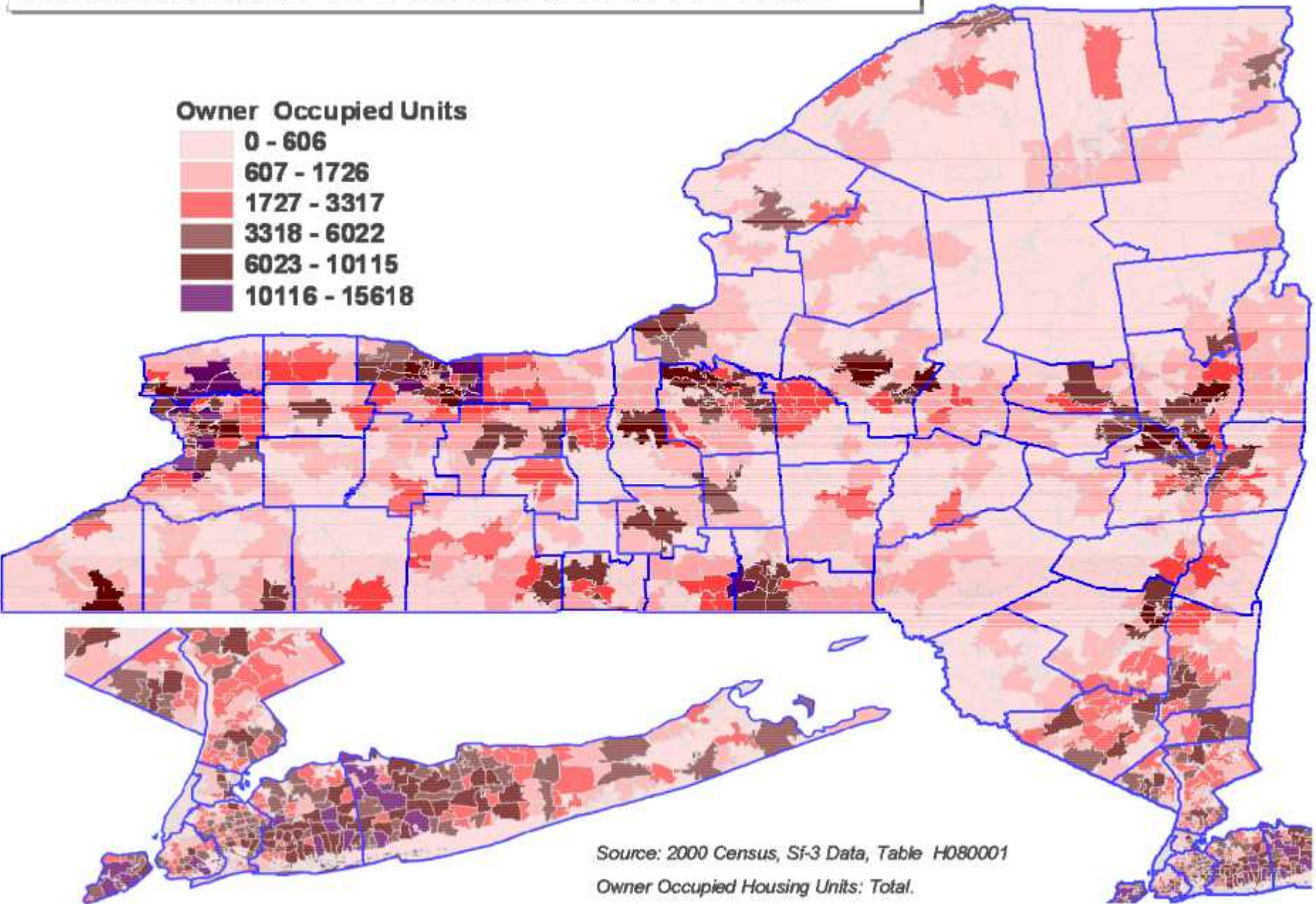
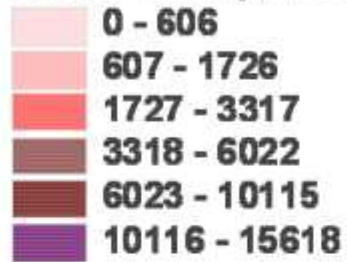
*(In Foreclosure, Delinquent, or Scheduled for Interest  
Rate Increases)*

[Revised August 5, 2008]



# DISTRIBUTION OF ALL OWNER-OCCUPIED UNITS

## Owner Occupied Units

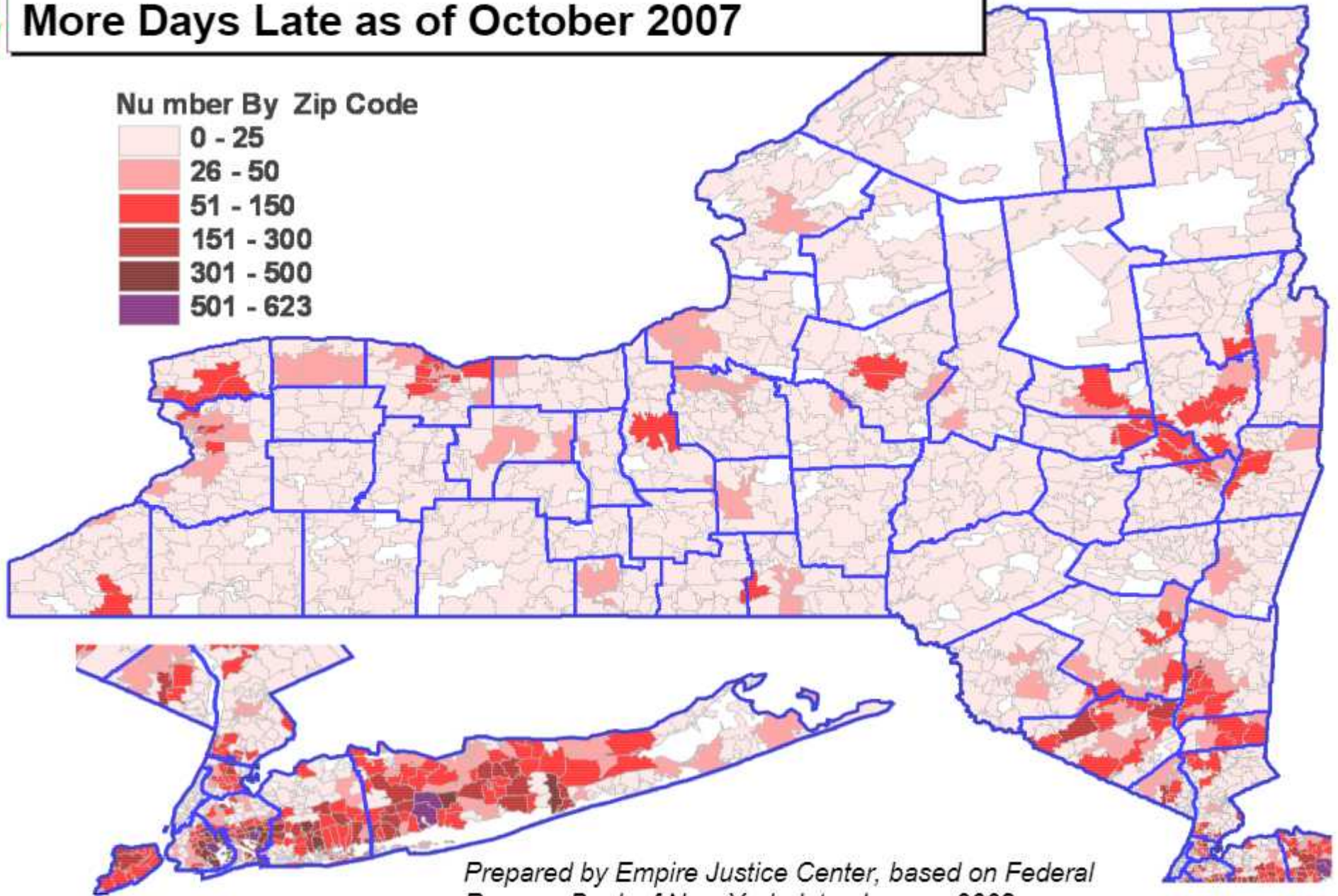
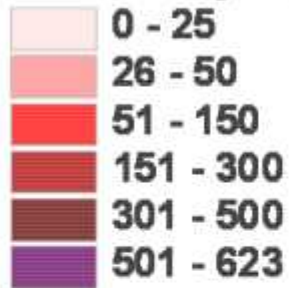


Source: 2000 Census, Sf-3 Data, Table H080001  
Owner Occupied Housing Units: Total.



# Subprime Loans in Foreclosure or Thirty or More Days Late as of October 2007

Number By Zip Code

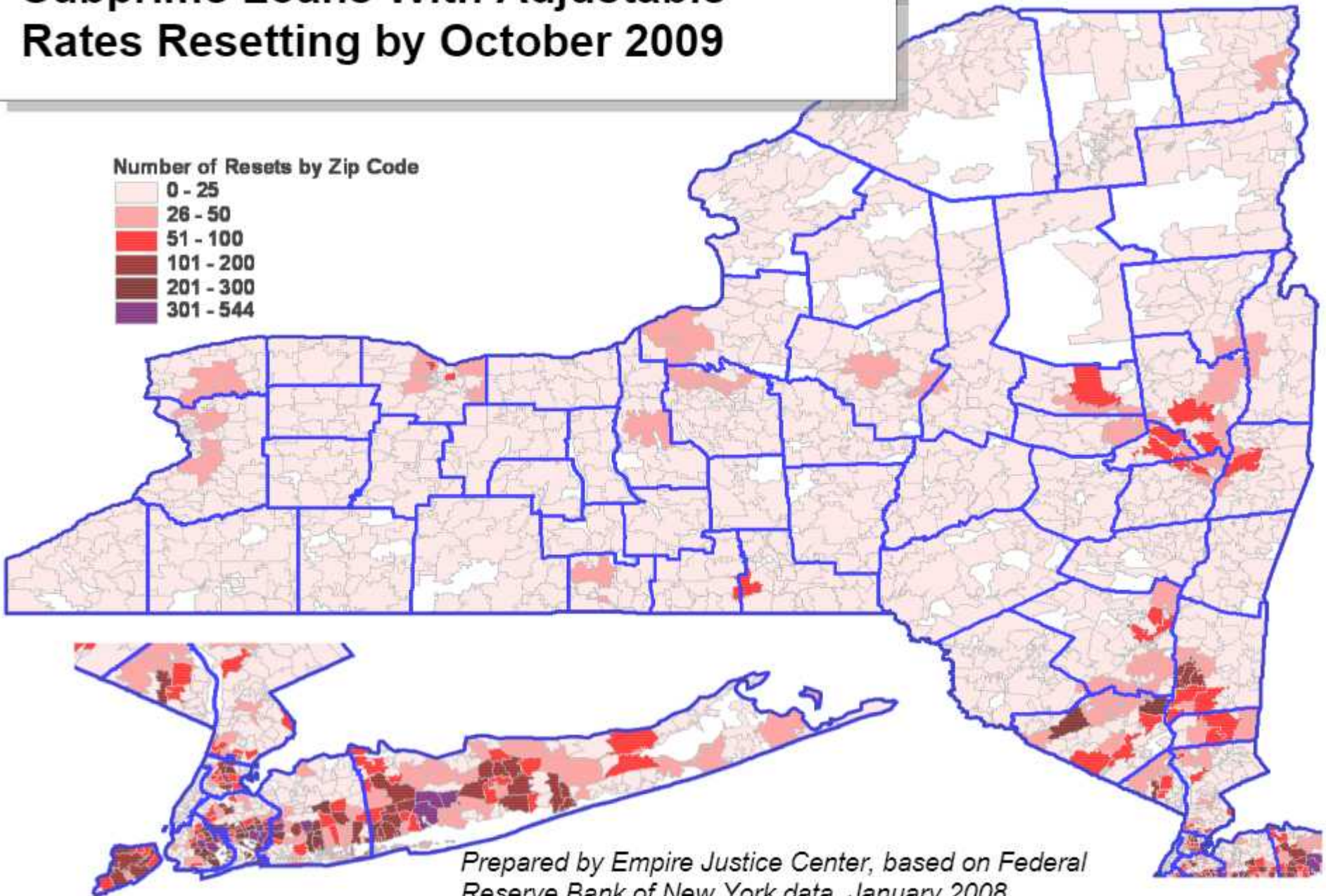


*Prepared by Empire Justice Center, based on Federal Reserve Bank of New York data, January 2008.*



# Subprime Loans With Adjustable Rates Resetting by October 2009

Number of Resets by Zip Code



*Prepared by Empire Justice Center, based on Federal Reserve Bank of New York data, January 2008.*

# Summarizing the Statewide Data

*TOTAL*      *30+ PAST DUE*      *RESETS*

**NY State**      **141,934**      **42,013** (30%)      **31,908** (22%)

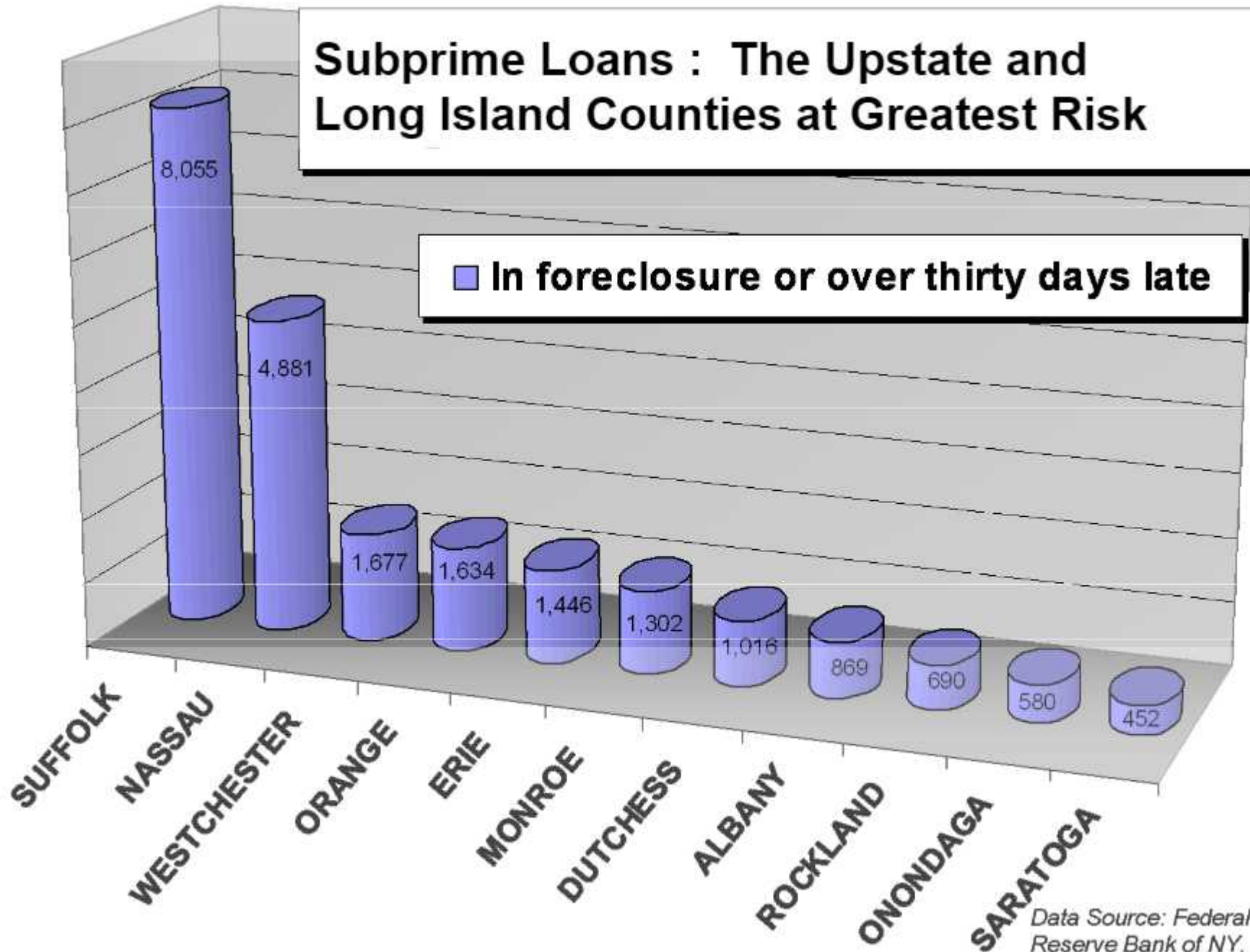
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**Upstate**      **40,988**  
(28%)      **12,436**  
(30%)      **9,479**  
(30%)

**Long Island**      **57,865**  
(41%)      **16,526**  
(39%)      **10,868**  
(34%)

**NY City**      **43,081**  
(31%)      **13,051**  
(31%)      **11,561**  
(36%)

## Subprime Loans : The Upstate and Long Island Counties at Greatest Risk

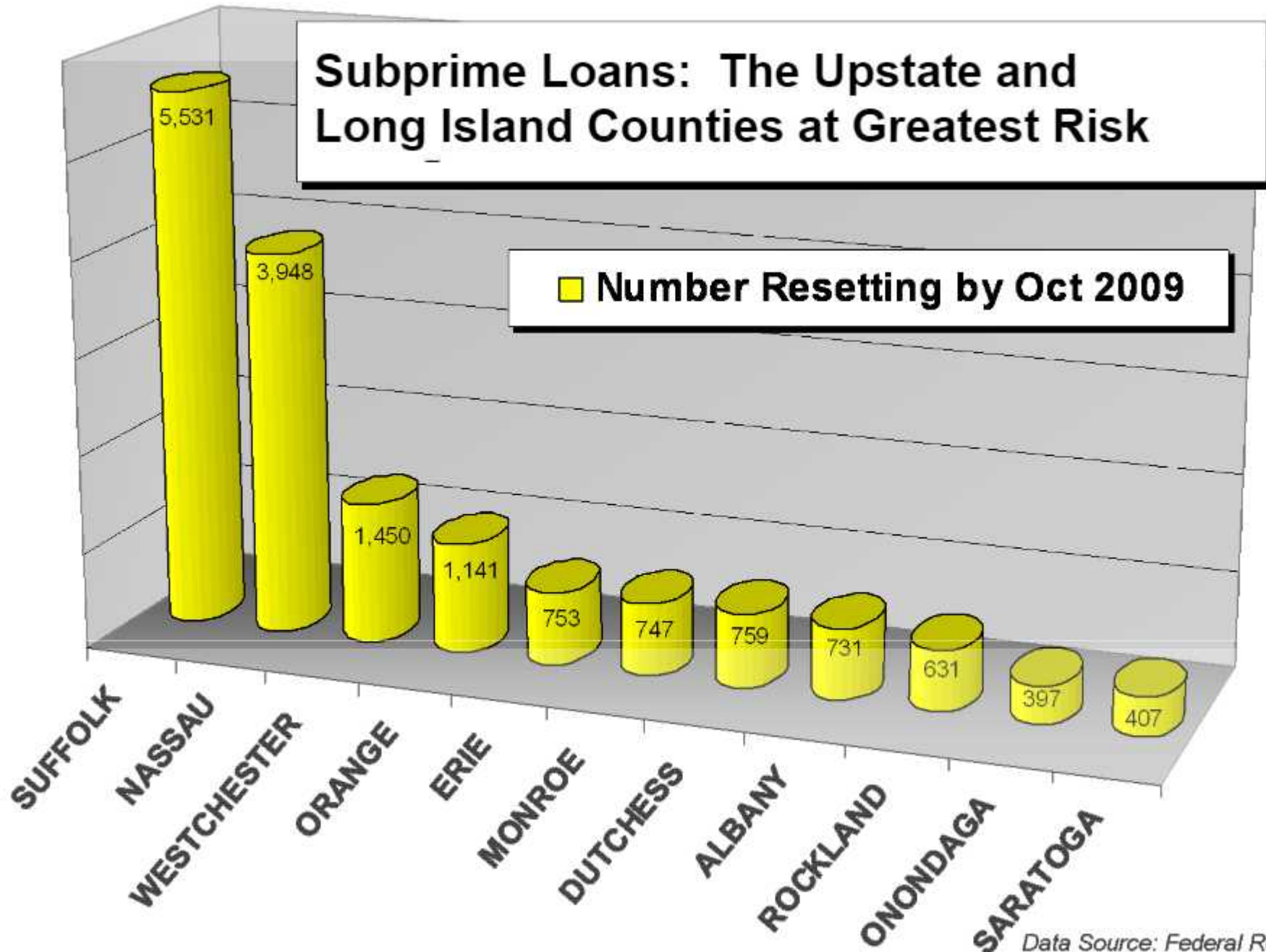


Data Source: Federal Reserve Bank of NY, January 2008.

Prepared by the Empire Justice Center, March 2008.



## Subprime Loans: The Upstate and Long Island Counties at Greatest Risk



Data Source: Federal Reserve Bank of NY, January 2008.

Prepared by the Empire Justice Center, March 2008.

# Top 20 Counties – Subprime Loans 30 or more days late captured in the Federal Reserve dataset *(out of the state total of 28,248)*

|                     |         |                     |       |
|---------------------|---------|---------------------|-------|
| 1. Suffolk          | (5,177) | 11. Dutchess        | (740) |
| 2. <b>Queens</b>    | (3,408) | 12. Albany          | (638) |
| 3. Nassau           | (3,232) | 13. Rockland        | (481) |
| 4. <b>Kings</b>     | (2,449) | 14. Onondaga        | (454) |
| 5. Erie             | (1,174) | 15. Saratoga        | (362) |
| 6. Orange           | (1,164) | 16. Niagara         | (318) |
| 7. Westchester      | (1,116) | 17. Rensselaer      | (307) |
| 8. <b>Bronx</b>     | (1,083) | 18. Ulster          | (302) |
| 9. Monroe           | (1,014) | 19. Broome          | (227) |
| 10. <b>Richmond</b> | (844)   | 20. Cayuga & Fulton | (194) |

*New York City boroughs are indicated in **Blue***



# Top 20 Counties – Subprime Loans Captured in the Federal Reserve Dataset Resetting by October 2009 (out of state total of 31,908)

|                    |         |                |       |
|--------------------|---------|----------------|-------|
| 1. Suffolk         | (5,531) | 11. Monroe     | (747) |
| 2. <b>Queens</b>   | (5,130) | 12. Albany     | (731) |
| 3. Nassau          | (3,948) | 13. Rockland   | (631) |
| 4. <b>Kings</b>    | (3,556) | 14. Saratoga   | (407) |
| 5. <b>Bronx</b>    | (1,626) | 15. Onondaga   | (397) |
| 6. Westchester     | (1,450) | 16. Rensselaer | (315) |
| 7. <b>Richmond</b> | (1,154) | 17. Ulster     | (267) |
| 8. Orange          | (1,141) | 18. Broome     | (199) |
| 9. Dutchess        | (759)   | 19. Franklin   | (184) |
| 10. Erie           | (753)   | 20. Niagara    | (181) |

*New York City boroughs are indicated in **Blue***

# Taking a Closer Look:

- **Long Island**

*(Nassau and Suffolk Counties)*



# SUFFOLK COUNTY: Delinquencies, Foreclosures and Resets

There were a total of **24,480** subprime loans captured in the Federal Reserve dataset in Suffolk County.

By October 2007, **8,055** (33%) were already in jeopardy:

- **5,177** (21%) were **30 or more days late**
- **2,878** (12%) were **already in foreclosure**

In addition, **22%** of these subprime mortgages have interest rates that will **RESET** by October 1, 2009.

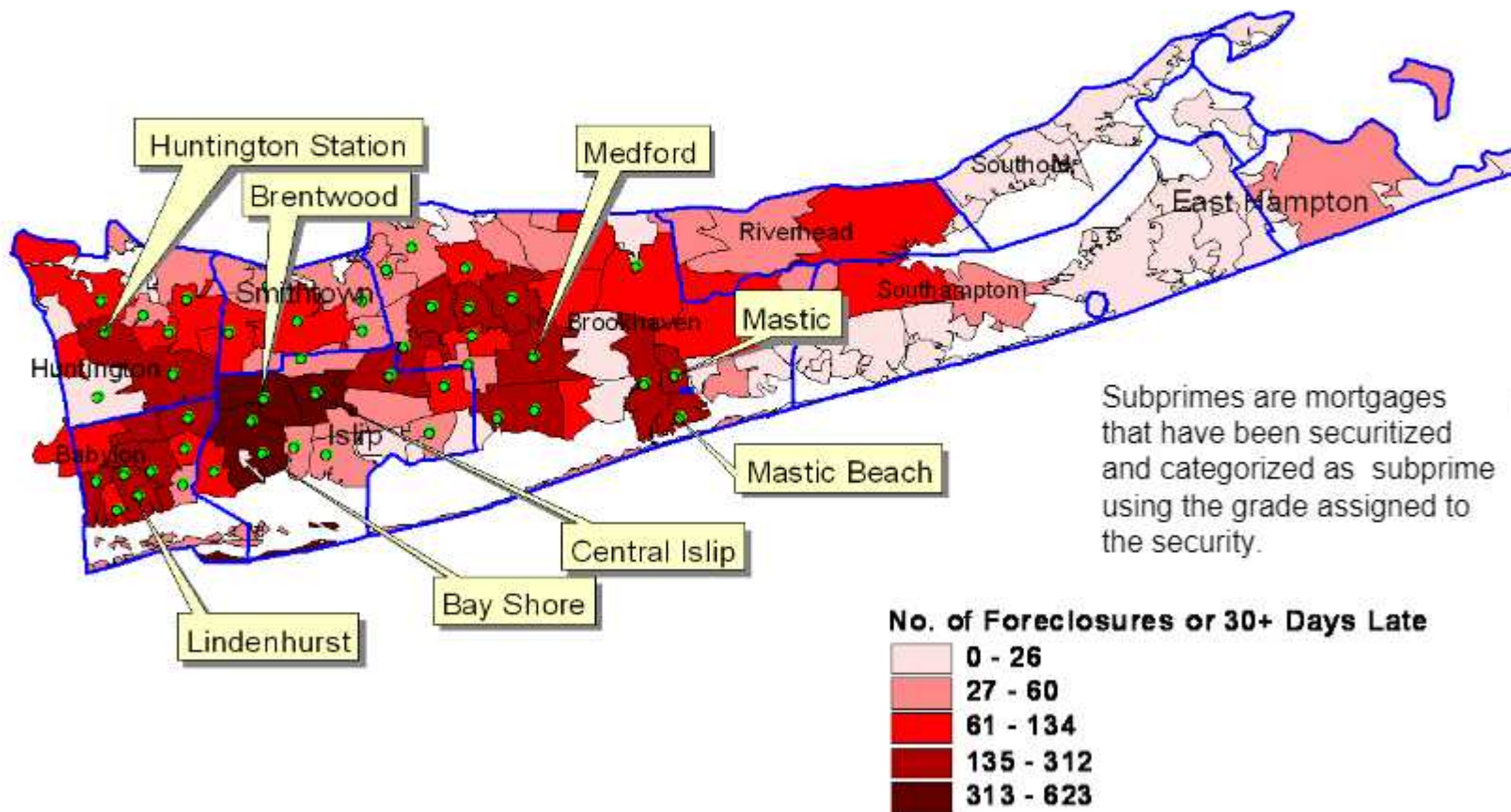
# Suffolk County Zip Codes with the Highest Foreclosure Risk

The **three zip codes** with the **highest number** of loans in foreclosure or over 30 days late were:

- **Amityville:**  
623 loans in foreclosure, and **11%** of the county's African American homeowners
- **Brentwood:**  
526 loans in foreclosure, and **8%** of the county's African American homeowners
- **Central Islip:**  
433 loans in foreclosure, and **11%** of the county's African American homeowners



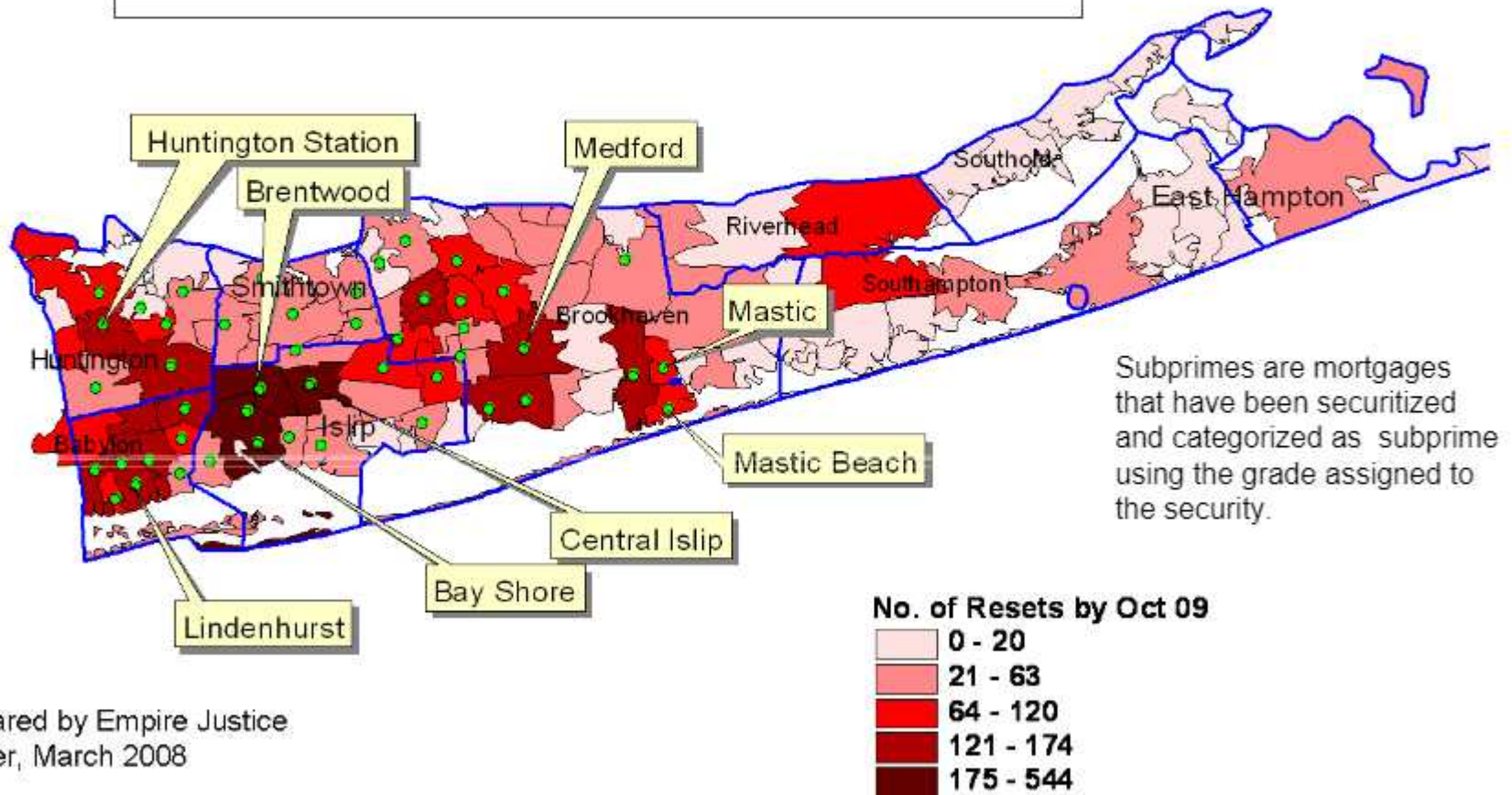
# SUFFOLK COUNTY: Subprimes Already in Foreclosure Or Over 30 Days Later



Prepared by Empire Justice  
Center, March 2008

The boundaries on this map show municipal boundaries in blue (town and city borders).  
The color-groupings are based on zip code totals, and reflect zip code boundaries in black.  
Zip Codes often cross municipal boundaries.

# SUFFLOK COUNTY: Subprimes Resetting by October 2009



Prepared by Empire Justice  
Center, March 2008

The boundaries on this map show municipal boundaries in blue (town and city borders).  
The color-groupings are based on zip code totals, and reflect zip code boundaries in black.  
Zip Codes often cross municipal boundaries.



# Suffolk County Foreclosures Impact *Minority* Homeowners

African American homeowners are **THREE times** more likely than white homeowners to live in the most impacted zip codes.

Of the **8,055** loans in jeopardy (in foreclosure or 30 days or more late) in Suffolk County:

- **42%** of the loans are in only **10 out of 102** zip codes
- **66%** of Suffolk County's African American homeowners live in these highly impacted zip codes
  - In contrast, only **20%** of Suffolk County's white homeowners live in these areas

# NASSAU COUNTY:

## Delinquencies, Foreclosures and Resets

There were a total of **16,508** subprime loans captured in the Federal Reserve dataset .

By October 2007 **4,881** (30%) were already in jeopardy:

- **3,232** (20%) were **30 or more days late**
- **1,649** (10%) were **already in foreclosure**

In addition, **24%** of these subprime mortgages have interest rates that will **RESET** by October 1, 2009.



# Top Nassau County Zip Codes Impacted by Foreclosures:

The ***three worst zip codes*** (those with the highest number of loans in foreclosure or over 30 days late) were:

- ***Hempstead:***

475 loans in foreclosure, and

***18%*** of the county's African American homeowners

- ***Freeport:***

417 loans in foreclosure, and

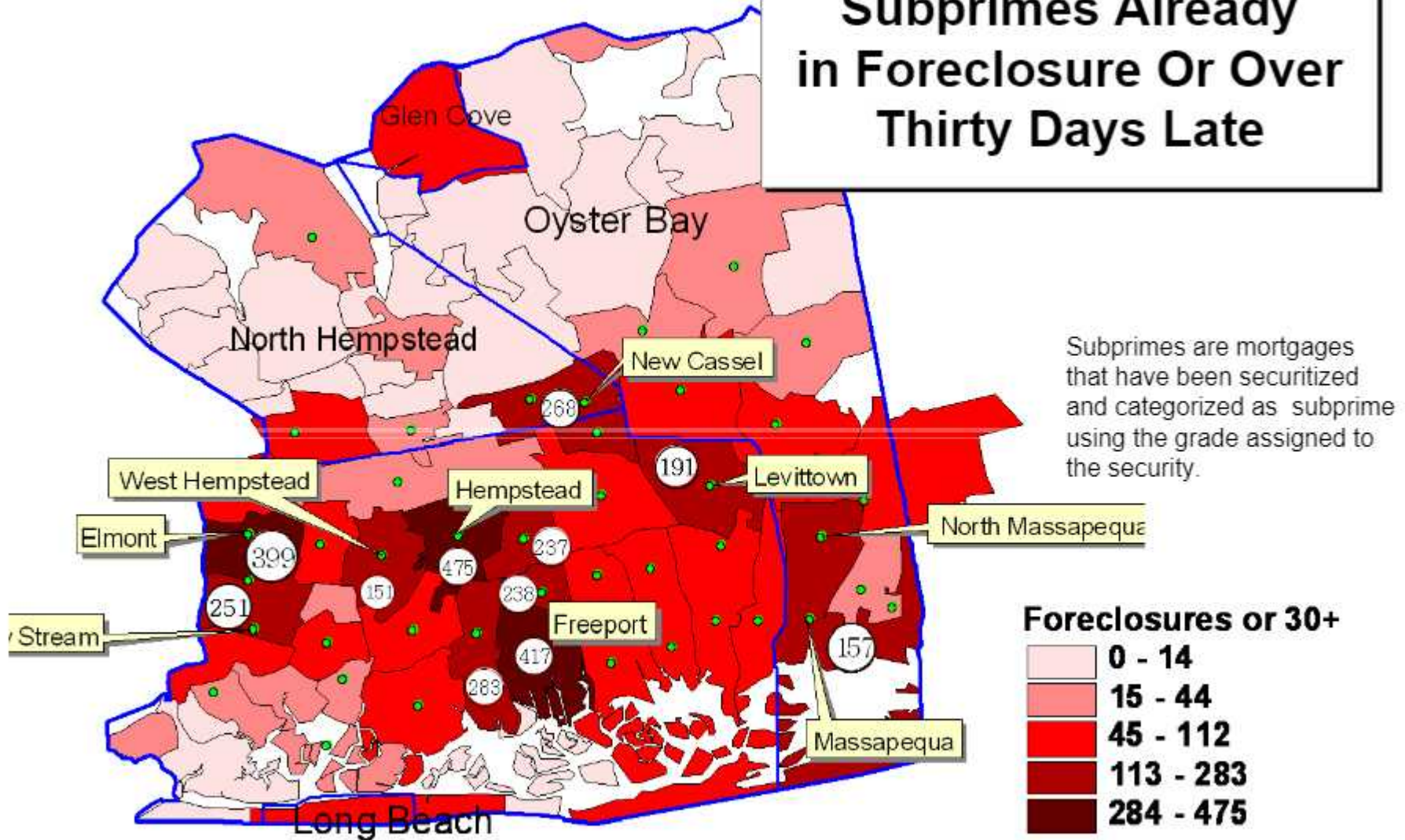
***12%*** of the county's African American homeowners

- ***Elmont:***

399 loans in foreclosure, and

***12%*** of the county's African American homeowners

# NASSAU COUNTY: Subprimes Already in Foreclosure Or Over Thirty Days Late



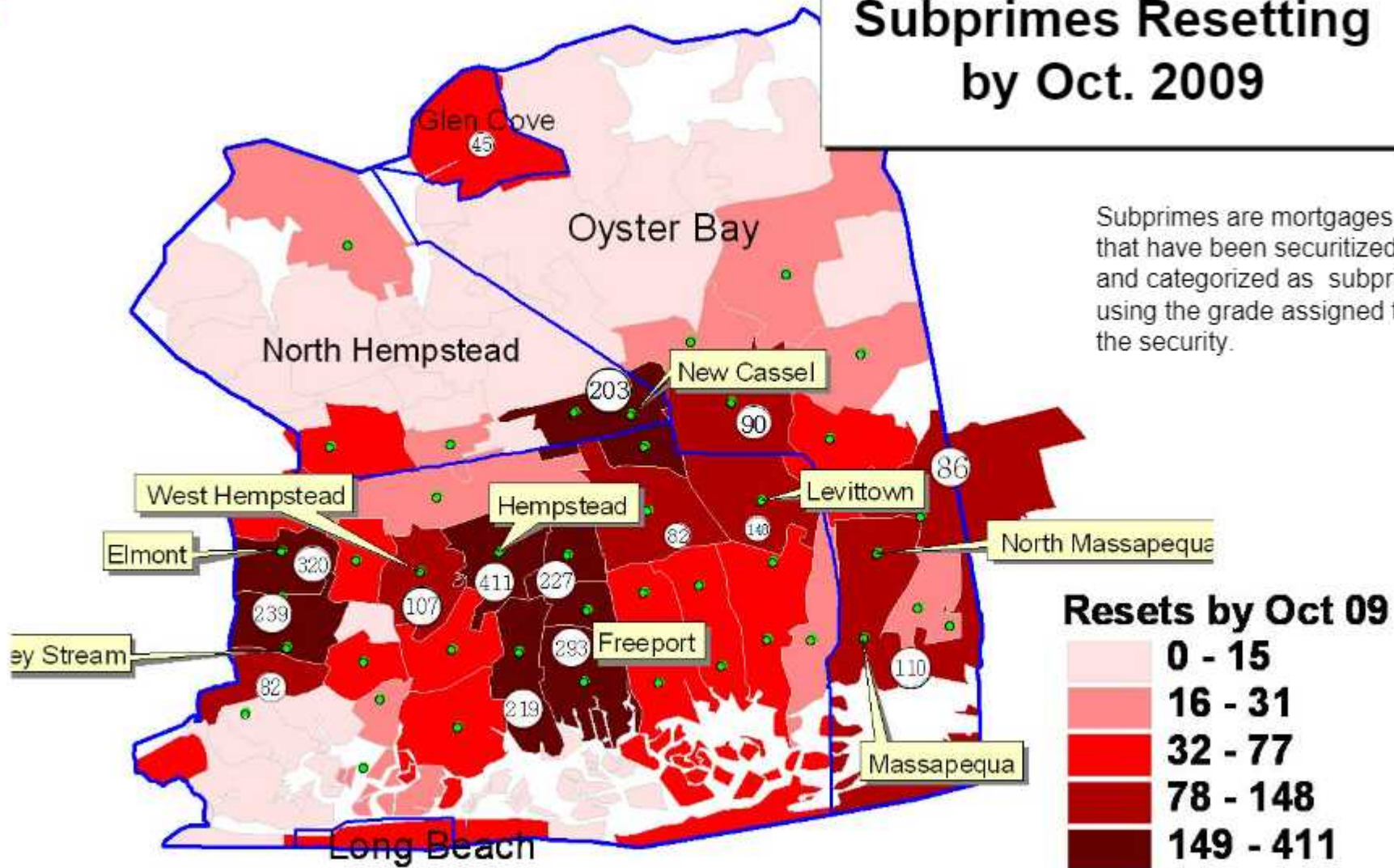
Prepared by Empire Justice Center,  
March 2008

The boundaries on this map show municipal boundaries in blue (town and city borders). The color-groupings are based on zip code totals, and reflect zip code boundaries in black. Zip Codes often cross municipal boundaries.



# NASSAU COUNTY: Subprimes Resetting by Oct. 2009

Subprimes are mortgages that have been securitized and categorized as subprime using the grade assigned to the security.



The boundaries on this map show municipal boundaries in blue (town and city borders). The color-groupings are based on zip code totals, and reflect zip code boundaries in white and gray.

Zip Codes often cross municipal boundaries.



# Nassau County Foreclosures Impact *Minority* Homeowners

African American homeowners are ***FOUR times*** more likely than white homeowners to live in the most impacted zip codes.

Of the ***4,881*** loans that are in foreclosure (or 30 or more days late) in Nassau County:

- ***60%*** (2,916) are concentrated in ***10 out of 67*** zip codes
- ***85%*** of Nassau County's African American homeowners live in these 10 zip codes
  - Only ***20%*** of all of the white homeowners live in these same neighborhoods.

**42%** of Nassau County's African American homeowners live in the ***three neighborhoods most impacted*** by foreclosures