

April 2008

## Foreclosure Status in Boston

*City started efforts early to address growing problem*

Over the past several months, the subprime mortgage crisis has become more alarming as it affects homeowners and both national and international financial institutions and subsequently access to credit. Here in Boston based on data from the City's Department of Neighborhood Development (DND):

- The number of foreclosure deeds registered as of April 11<sup>th</sup> has increased by 203% to 349 from 115 at the same point last year.
- There were 703 foreclosed deeds registered in 2007, an increase of 442 or 169% over 2006.
- In 2007, Dorchester, Roxbury, Mattapan and Hyde Park accounted for 70% of all foreclosure deeds in Boston
- The median number of years between the mortgage and the initial foreclosure petition in 2007 was 1.4 years and 66% of the mortgages were less than 2 years old

In 1999, the City of Boston became more aware of the predatory lending industry and initiated a public information campaign warning citizens to be careful about attractive mortgage offers. Through the **Boston Home Center**, prospective home buyers are offered down payment and closing cost assistance but must participate in educational programs on the home buying process and financial services.

With a significant increase in foreclosures at the end of 2005, the City enhanced its foreclosure intervention services by creating:

**First Choice Lenders (2006):** Enlisting six major banks to help people secure model loans and refinance out of bad loans.

**Foreclosure Prevention Counseling Network (2006 & 2008):** The City approved federal CDBG funds for five community-based organizations and the Real Estate Bar Association to provide expanded foreclosure intervention counseling.

**Foreclosure Intervention Team (2008):** Created an interagency task force to deliver a coordinated approach to address causes of disinvestment in areas of high concentrations of foreclosed and abandoned properties.

The Boston Redevelopment Authority will purchase selected abandoned homes to rehabilitate and sell to new home buyers to spur home ownership and revitalization of the neighborhood.

Number of Foreclosure Deeds in Boston

