



Defaulting on the Dream: States Respond to America's Foreclosure Crisis

Georgia

ONE IN 27 GEORGIA HOMEOWNERS is estimated to be in foreclosure by the end of 2010—exceeding the U.S. average of one in 33. The state is one of 10 with the highest rates of projected foreclosures resulting specifically from subprime loans made in 2005 and 2006. The state's foreclosure challenges could lead to one fourth of its homeowners losing an average of \$3,000 in property value.



ASSESSMENT: Georgia has taken some initial steps to respond to its foreclosure problems. The state's high-cost lending law covers different loan types, limits excessive points and fees and calls for better disclosure, but many Georgia homeowners have still suffered under high-cost loans. Legislation enacted in May 2008 aims to prevent foreclosure rescue scams and the state began offering counseling to homeowners in danger of default through the National Foreclosure Mitigation Counseling program.

**As of December 2008*

THE FACTS: The ripple effects of the foreclosure crisis

- **1 in 27** homeowners is projected to experience foreclosure on their home as a result of their high-cost loan
- **29 percent** of all loans made in 2005-2006 were subprime
- **25 percent** of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose **\$2,884** on average in property value
- **\$1.8 billion** is projected to be lost from the combined state and local tax base

THE RESPONSE: Preserving a piece of the dream

GOALS	ACTIONS	STATUS*
Avoiding foreclosure	State-funded refinance program	<input type="checkbox"/>
	Loan modification	<input type="checkbox"/>
	Preventing rescue scams/ Mortgage fraud	<input checked="" type="checkbox"/>
	Counseling available	<input checked="" type="checkbox"/>
Using all your tools	Task force	<input type="checkbox"/>
Pre-empting high-cost lending	High-cost lending laws	<input checked="" type="checkbox"/>
	Aligns mortgage broker to consumer interests	<input type="checkbox"/>

■ = action taken □ = no action taken

**As of October 1, 2008*

THE FORECLOSURE NUMBERS:

The projections above are from the Center for Responsible Lending's subprime spillover research, updated in February 2008. These estimates focus on foreclosures resulting from subprime loans made to owner-occupants in 2005 and 2006. For a full description of the methodology, please see *Defaulting on the Dream: States Respond to America's Foreclosure Crisis*, released in April 2008 and available at www.pewcenteronthestates.org.



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