



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

Oregon

OREGON CAN EXPECT FORECLOSURE CHALLENGES

AHEAD—one in 34 Oregon homeowners is projected to face foreclosure by the end of 2010 as a result of their high-cost loan. Although early on in this crisis Oregon fared somewhat better than other states, the number of subprime mortgages issued in the state in 2005 and 2006 makes it likely that Oregon's foreclosure rate will increase substantially in the next two years.



ASSESSMENT: Oregon has been slow to take foreclosure-related action, despite a foreclosure rate that is expected to increase through 2010. Counseling services are now available for distressed homeowners, and a March 2008 measure takes aim at rescue scammers, imposing severe restrictions and penalties. Oregon should look to the actions of other states that have adopted high-cost lending laws or are negotiating agreements with lenders to work with distressed homeowners, among other measures, in an effort to stem its foreclosure challenges.

**As of December 2008*

THE FACTS: The ripple effects of the foreclosure crisis

- 1 in 34 homeowners is projected to experience foreclosure on their home as a result of their high-cost loan
- 20 percent of all loans made in 2005-2006 were subprime
- 43 percent of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose \$5,459 on average in property values
- \$2.5 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 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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