



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

South Carolina

SOUTH CAROLINA HAS EXPERIENCED FORECLOSURE PROBLEMS

similar to its neighbor, North Carolina. Although it expects a lower rate of foreclosures as a result of subprime loans than the national average (one in 33 homeowners), South Carolina's rate is on the rise, with one in 42 homeowners projected to default by the end of 2010.



ASSESSMENT: South Carolina has taken promising steps to address its expected foreclosure challenges. State lawmakers have approved legislation aimed at preventing high-cost loan abuse and have provided some assistance to homeowners threatened by foreclosure with the 2003 High-Cost and Consumer Home Loans Act and a statewide consumer education campaign. Additional programs to aid homeowners already in the foreclosure process and those projected to enter foreclosure in coming years could help lessen the potential impact on the state and local tax base.

**As of December 2008*

THE FACTS: The ripple effects of the foreclosure crisis

- 1 in 42 homeowners is projected to experience foreclosure on their home as a result of their high-cost loan
- 26 percent of all loans made in 2005-2006 were subprime
- 14 percent of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose \$2,660 on average in property values
- \$477 million 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 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 checked="" 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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