



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

Utah

WITH ONE IN 25 HOMEOWNERS PROJECTED TO ENTER FORECLOSURE by the end of 2010—exceeding the U.S. average of one in 33 homeowners—Utah's challenges are immediate. The projection ranks Utah among the top five states with the greatest rates of anticipated subprime foreclosures per homeowner. Such defaults could drive down the property values of 47 percent of the state's homeowners.



ASSESSMENT: Utah implemented its High-Cost Home Loan Act in 2004 to help curb high-cost lending, but has not otherwise taken significant steps to address its expected high foreclosure rate. Although legislation passed in March 2008 will help prevent rescue scams, Utah lags behind other states that have taken action to help homeowners who have already entered the foreclosure process, such as creating a loan modification or refinance program.

**As of December 2008*

THE FACTS: The ripple effects of the foreclosure crisis

- **1 in 25** homeowners is projected to experience foreclosure on their home as a result of their high-cost loan
- **24 percent** of all loans made in 2005-2006 were subprime
- **47 percent** of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose **\$4,243** on average in property values
- **\$1.3 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 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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