



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

Wyoming

WYOMING'S FORECLOSURE PROBLEMS ARE NOT ESPECIALLY SEVERE COMPARED TO MANY OTHER STATES.

However, the state's foreclosures do threaten to have a ripple effect on a significant proportion of the state's homeowners. About a third of Wyoming's homeowners could be negatively affected by nearby foreclosures projected to occur in the next two years, including average property value declines of almost \$2,500 each.



ASSESSMENT: Wyoming took its first step toward curbing high-cost lending in March 2008, requiring national criminal background checks on mortgage brokers and lenders seeking licenses to do business in the state. Still, Wyoming has not implemented any programs to help its homeowners in the foreclosure process. Although its projected foreclosure rate of one in 64 homeowners is lower than the U.S. average of one in 33, many residents could be negatively affected by foreclosure. Wyoming lags behind other states that have taken steps to protect future borrowers and current homeowners, such as enacting a law to prevent high-cost lending or creating a loan modification or refinance program.

**As of December 2008*

THE FACTS: The ripple effects of the foreclosure crisis

- 1 in 64 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
- 29 percent of all homeowners will likely feel the ripple effects of foreclosures from subprime loans
- Affected homeowners are expected to lose \$2,470 on average in property values
- \$46 million is projected 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 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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