

**Keith Lynam**

*Testimony for the March 15, 2012 Field Hearing of the House Committee on Financial Services' Subcommittee on Financial Institutions and Consumer Credit*

Good morning Mrs. Chairman, members of the subcommittee. My name is Keith Lynam, of Las Vegas, Nevada, a REALTOR® and Sales Associate with Windermere Prestige Properties. I am a member of the Nevada Association of REALTORS®. Thank you for recognizing the unique situation we are experiencing in Nevada by having a field hearing of your subcommittee in Las Vegas today.

As you know, Nevada is the hardest hit state for foreclosures, and has been leading the nation in foreclosures for five years straight according to RealtyTrac, a company that tracks foreclosure data across the country. People in Nevada are frustrated. Most are underwater – numbers released for the fourth quarter of 2011 by the research firm CoreLogic indicates that 61% of homeowners with mortgages in Nevada are underwater, compared to 22.8% nationwide. The next two states with the highest proportion of underwater homeowners are Arizona with 48% and Florida with 41%. Clearly, the magnitude of the problem in Nevada is unique and very serious.

Up until now, the federal government has put in place a number of programs to help struggling homeowners throughout the country. Unfortunately, the situation is so dire in Nevada, most of our citizens have been unable to access this help due to the various programs guidelines. We need help...but the one size fits all approach has left us in the dust.

Our reality here in Nevada is that the real estate market is intimately tied to our overall economy and to job creation. Our economy will not recover without housing recovery. They go hand in hand. Getting our housing market back on track is the only way to help our economy recover and get jobs back in our community.

At the end of 2010, the Nevada Association of REALTORS® produced a comprehensive study on the depth and scope of the foreclosure crisis in Nevada. The study focused in on hundreds of Nevadans who had personally experienced foreclosures; hundreds of others who were living in neighborhoods decimated by foreclosures; public opinion surveys focused on the causes, and the help available; focus groups attempting to understand the personal stories as the crisis unfolded, and an analysis of the thousands of data points to better understand the numbers behind the crisis. The report was the first of its kind in Nevada to really get underneath the problem and identify solutions. The finds were astonishing: a) nearly one quarter of those surveyed admitted that they “strategically defaulted” or “walked away” from their home; b) federal and state programs for struggling homeowners are having little effect in Nevada; c) the frustration between the homeowners and the lenders is palpable; d) there is no solid evidence to suggest that the vast number of those experiencing foreclosures are victims; e) finally, many

homeowners who fell into foreclosure were plagued with circumstances largely out of their control – the “Plus One Effect.” A copy of the report itself and the survey work done is made a part of this testimony.

This report was groundbreaking for the Association, and for Nevada as a whole as it took a comprehensive look at the problem. More importantly though, it drove state legislation in Nevada to address some of the findings in an effort to assist struggling homeowners.

I am happy to report that the next phase of the report is currently underway, and we anticipate having results back in early summer. We will be happy to pass those additional findings on to Congressman Heck’s office.

On behalf of the Nevada Association of REALTORS®, I would like to thank Congressman Joe Heck for introducing H.R. 4172, the Second Chance at Homeownership Act. That bill is a great start in helping some of our citizens re-enter the housing market after a foreclosure, and in stimulating some positive movement in the real estate market.

But if we take a step back, there is another solution for our underwater homeowners, before a foreclosure occurs, especially when a loan modification is not possible. And that is a short sale.

We need banks to start approving short sales. Banks are rarely interested in working with homeowners and real estate professionals because the incentive is not there for them from a business perspective to keep the homeowner in their home, or let them get out of a poor financial decision. And despite Nevada’s attempts this past legislative session to incentivize the banks to work with real estate professionals and homeowners, banks continue to drag their feet. But today, in Nevada, it is much harder for banks to foreclose on properties and to pursue deficiency judgments, not impossible, just tougher. Moreover, as long as government bails the big banks out, the banks will not have any incentives to work in good faith with distressed homeowners in negotiating a short sale. We also need help with getting short sales approved through Fannie Mae and Freddie Mac. Their rules are so stringent right now, that they will not postpone a trustee sale, even when there is a short sale offer that is almost completed, and they also demand minimum prices that are above appraised value. We need the banks to step up and do what’s right: talk to the people who are struggling to make ends meet, the people who want to do the right thing, those of us who are looking for a light at the end of the tunnel.

In addition, the one size fits all mentality is not working in Nevada. Our marketplace is not like St Louis, or Dallas or Missoula, Montana, where I am from. Therefore, structuring federal programs, which meet those marketplaces, and not the Las Vegas or Reno marketplaces, is fruitless and frustrates homeowners even more.

Part of the solution to our housing crisis also involves strengthening our main street lending. Right now, FDIC rules and regulations end up shutting down our smaller local and community banks, and the big banks gobble them up. We need to find a way for the smaller banks to survive and create opportunities for individuals to obtain financing locally.

More importantly, for the last half a century, owning a home has been a fundamental to the American Dream. A former colleague of Congressman Heck in the Nevada Legislature once said that Las Vegas is the place where a housekeeper, or cocktail waitress can truly realize the American Dream. Well, for many Nevadans, that dream has been extinguished in this market. H.R. 4172 is part of an effort to reignite the American Dream for many Nevadans. It helps homeowners get back up on their feet and get a fresh start again, and hopefully learn from their mistakes. It is what makes this country great. As Americans, we are good at dusting ourselves off, picking ourselves up, and getting back upon our feet. Congressman Heck's measure goes a long way towards responsible homeownership.

And the last point I would like to make is that when a foreclosure is necessary, the banks need to have a viable way to proceed in doing so. Properties need to be returned to the free market as fast as possible. Here in Las Vegas, we are currently seeing a declining supply of available properties – absorption is not a problem. Being able to offer foreclosed properties to new buyers is essential to our recovery. Creating rental pools with foreclosed properties will only further delay the recovery of our housing market, and our economy as a whole.

Thank you for giving me the opportunity to speak to you this morning. I am available to answer any question you may have.

# THE FACE OF **FORECLOSURE**



AN ANALYSIS OF THE  
**NEVADA** CRISIS  
FORECLOSURE

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# Executive Summary

## Giving Voice To The Voiceless

The foreclosure crisis in Nevada has impacted nearly every family, business and government entity in some way. Economists, banking experts, elected officials and the media have struggled to grasp the causes and solutions. But few have reached out to those most affected and asked them what *they* think. The Face of Foreclosure Project is an effort by the Nevada Association of REALTORS® to do just that.

The Nevada Association of REALTORS® has more than just a business interest in seeing a healthy real estate market in Nevada. We are Nevada citizens, homeowners, civic leaders and community advocates. And we believe that in order to fully understand this crisis and work together on a way forward, we must give voice to those most affected. To that end, we embarked on a multi-year research project that has included:

- Hundreds of personal interviews with those personally experiencing foreclosure
- Hundreds of personal interviews with those living in heavily affected neighborhoods
- Public opinion surveys on the causes, the help available and the way forward
- Focus groups to further understand the personal stories as the crisis unfolds
- Thousands of data points to better understand the numbers behind the crisis
- Dozens of experts consulted

This report is the culmination of these efforts. It is our belief that the information contained within this report is a vital contribution to the conversation about how we can move Nevada forward together. It is our hope that elected leaders, lenders, foreclosure counselors, REALTORS®, and most importantly those facing the challenges of foreclosure will learn from this report. Together we can make a way forward to a long-term future for Nevada that is as strong and resilient as our people have been throughout these trying times.

**“We must give voice to those most affected.”**

## Key Findings

- 1. Nearly one-quarter (23%) of those surveyed admitted that they “strategically defaulted” or “walked away” from their home.** This complex issue is a crucial dynamic of the foreclosure crisis in Nevada. Other nationwide studies have produced similar findings and many experts are warning that these numbers will only increase.
- 2. Federal and state programs for struggling homeowners are having little effect in Nevada.** Sixty-one percent (61%) of those surveyed had never heard of the HAFA or the Home Affordable Foreclosure Alternative program. Only 3% said they used and were helped by the Nevada Foreclosure Mediation program. Less than 50% even knew there was a federal website for foreclosure assistance. There is a clear disconnect between what the government is trying to offer and what is actually needed for struggling homeowners.
- 3. There is great frustration and confusion in the relationship between homeowners and lenders.** Not only are homeowners most likely to blame banks and lenders for the crisis, but this is also the biggest area of frustration in the process. Focus group participants consistently cited their inability to talk to anyone authorized to take real action on their loans.
- 4. There is no solid evidence that vast numbers of those experiencing foreclosure are simply victims.** By their own admission in both research and conversations, many homeowners were in untenable financial situations. Many of those surveyed were spending an incredibly unhealthy amount of their monthly income on housing.
- 5. However, due to the presence of two or more significant life events - the “Plus One Effect” - many homeowners were plagued with circumstances largely out of their control, ultimately leading to foreclosure.** While many face a significant single life event and manage to overcome the challenge, when two or more events occur simultaneously, homeowners were more likely to experience foreclosure.



## Methodology

A comprehensive analysis of Nevada's foreclosure crisis requires the fusion of foreclosure data from an array of sources. All too often, sweeping conclusions are drawn by extrapolating from a single housing or mortgage statistic without speaking to those most familiar with the crisis.

The findings in this study are rooted in the synthesis of both qualitative and quantitative information, including focus group discussions, live telephone interviews, and an analysis of statewide foreclosure filings.

### Methodology Used

- Raw Data on Foreclosed Properties
- Statewide Telephone Surveys
- Focus Groups

## METHODOLOGY

## Methodology

### Raw Data on Foreclosed Properties

Quantitative analysis was conducted on all foreclosure notices issued between January 1, 2009 and May 28, 2010\* in the State of Nevada. Utilizing the NV DataMine™ facilitated property-level analysis of all three notice types, including:

- Notices of Default (NOD)
- Notices of Trustee Sales (NTS)
- Real Estate Owned (REO)

\* All foreclosure filing data provided by RealtyTrac.

### Statewide Telephone Surveys

#### *Personally Experienced Foreclosure*

500 live telephone interviews were conducted with individuals currently undergoing, recently experiencing, or narrowly avoiding home foreclosure. Interviews were conducted on the evenings of August 16-19, 2010, with respondents receiving at least one foreclosure notice (NOD, NTS, REO) in the preceding 12 months.

#### *Live in High Foreclosure Neighborhoods*

500 live telephone interviews were conducted with individuals residing in neighborhoods with high rates of home foreclosures, but not having received any foreclosure notices on their own home. Interviews were conducted on the evenings of August 16-19, 2010.

### Focus Groups

Two separate focus group discussions were conducted in Las Vegas on the evening of August 25, 2010, with individuals experiencing or narrowly avoiding home foreclosure and residents of heavily affected neighborhoods.

## 2 FOCUS GROUPS

## 1,000 PERSONAL INTERVIEWS

## OVER 200,000 FORECLOSURE NOTICES

## Findings - By The Numbers

The foreclosure crisis in Nevada has grown into a seemingly unmanageable tsunami of struggling homeowners, foreclosed properties on the market and complicated sales. Foreclosures continue to dominate the news of Nevada real estate and Nevada continues to lead the nation as the most heavily impacted state in the country. Solutions are needed. But before solutions can be sought, a broad understanding of the foreclosure landscape in Nevada is necessary. This section creates that context.

In This Section

- Compared To The U.S.
- Within Nevada

## BY THE NUMBERS

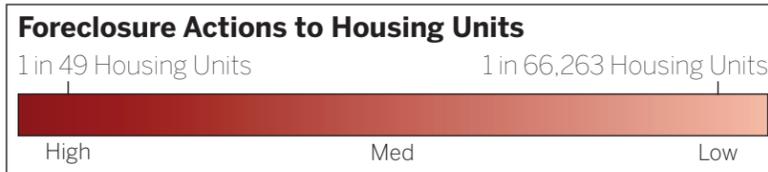
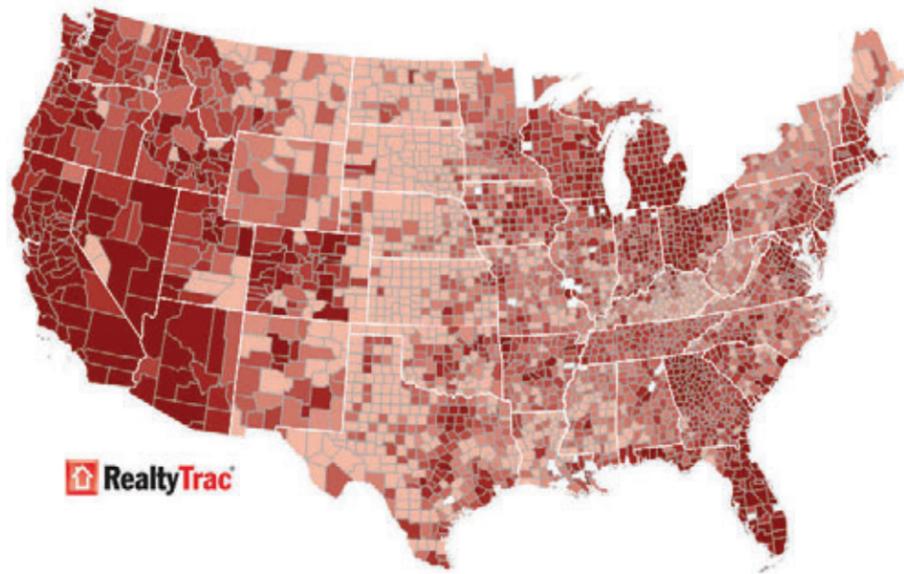


# Findings - By The Numbers

## Compared to the U.S.

Nevada continues to have the highest foreclosure rate in the United States through all of 2010. However, several counties actually have lower foreclosure rates than the national average. Storey, Eureka, and Humboldt counties had the lowest foreclosure rates in the state as of October 2010.

While the total number of foreclosures in Nevada may be less than other states, by comparing rates of foreclosure we see dramatic effect on Nevada as a whole. Nevada's per household foreclosure rate is nearly **twice** that of any other state.



Map 1

## U.S. FORECLOSURE MARKET DATA FOR TOP 10 STATES - JUNE 2010

Rate Rank	State	NOD	LIS	NTS	NFS	REO	Total	1/every X HU (rate)	% Change from:	
									May 10	Jun 09
<b>U.S.</b>										
1	<b>Nevada</b>	5,140	0	4,736	0	2,963	12,839	88	-10.5	-6.98
2	Florida	0	22,158	0	16,456	12,936	51,550	171	1.71	-31.58
3	Arizona	8	0	8,522	0	5,894	14,424	189	-10.39	-2.55
4	California	25,068	0	31,045	0	13,001	69,114	194	-4.05	-14.32
5	Utah	1,152	0	1,340	0	1,097	3,589	263	36.83	-31.6
6	Michigan	4,754	0	6,320	0	6,046	17,120	265	-15.76	25.82
7	Idaho	832	0	1,028	0	393	2,253	285	8.58	19.78
8	Georgia	0	0	9,328	0	2,709	12,037	334	-12.64	-14.17
9	Illinois	0	8,143	0	3,316	3,273	14,732	358	-2.18	36.46
10	Maryland	0	2,561	0	2,898	845	6,304	370	7.72	103.35

Table 1 - Source: RealtyTrac

## Within Nevada

Nevada continues to have the highest foreclosure rate in the United States through all of 2010. However, several counties actually have lower foreclosure rates than the national average. Storey, Eureka, and Humboldt counties had the lowest foreclosure rates in the state as of October 2010.

## FORECLOSURE NOTICES ISSUED IN OCT. 2010, NV

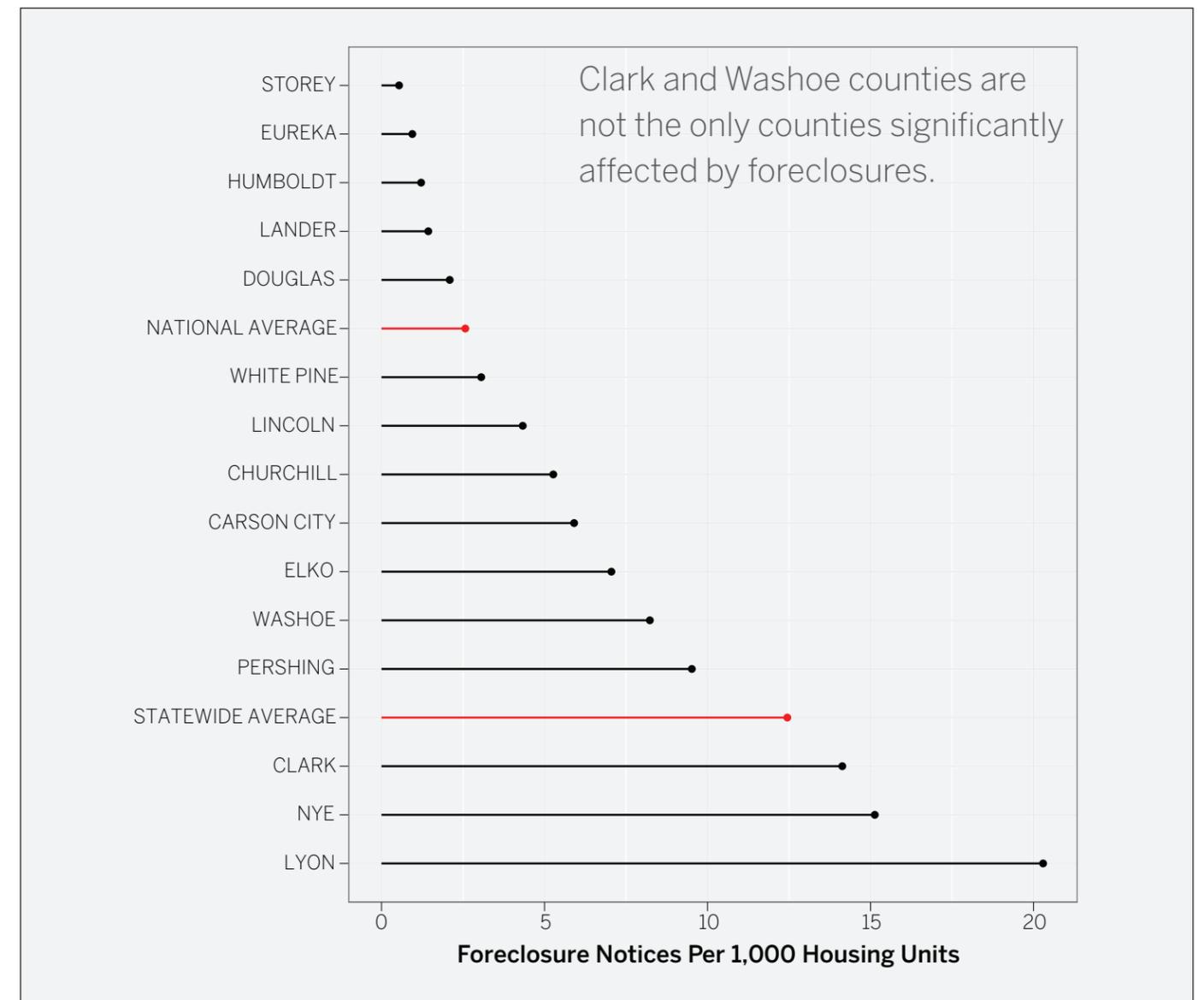


Figure 1

## Findings - By The Numbers

While foreclosure notices in Nevada continue at a steady pace, some trends have emerged in specific counties and over time.

In October, 2010 according to RealtyTrac, 1 in every 79 housing units in Nevada received a foreclosure notice.

Lyon, Clark, and Nye were the hardest hit counties with at least one foreclosure per 70 housing units in each.

Foreclosure actions of all types have been holding steady throughout 2010 with slight increases in the number of Real Estate Owned notices and a slight decrease in the number of default notices.

### FORECLOSURE FILINGS IN OCT. 2010, NV

County	Foreclosure Notices	Approximate Foreclosure Rate
Clark	11,653	1 in 70 Housing Units
Washoe	1,488	1 in 120 Housing Units
Lyon	371	1 in 49 Housing Units
Nye	249	1 in 66 Housing Units
Elko	138	1 in 141 Housing Units
Carson City	137	1 in 167 Housing Units
Churchill	58	1 in 188 Housing Units
Douglas	49	1 in 477 Housing Units
Pershing	23	1 in 103 Housing Units
White Pine	14	1 in 320 Housing Units
Lincoln	10	1 in 228 Housing Units
Humboldt	9	1 in 816 Housing Units
Lander	4	1 in 686 Housing Units
Storey	1	1 in 1,843 Housing Units
Eureka	1	1 in 1,046 Housing Units
Statewide	14,205	1 in 79 Housing Units

Table 2 - Source: RealtyTrac

### FORECLOSURE NOTICES ISSUED PER DAY

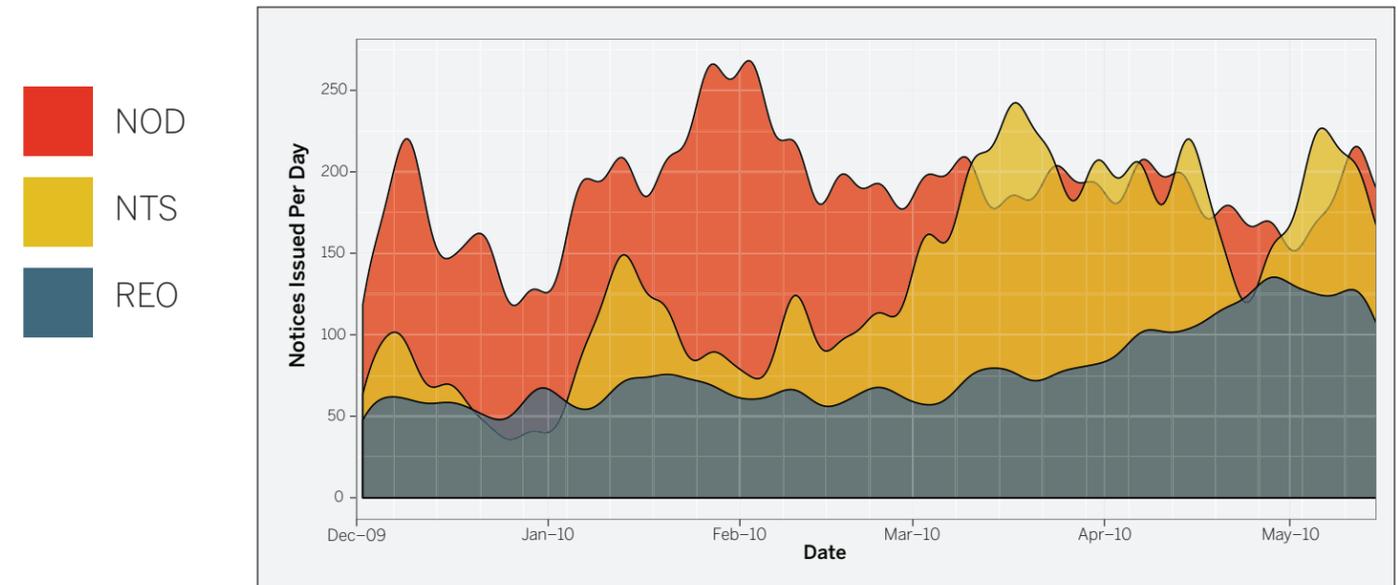


Figure 2

### FORECLOSURE NOTICES ISSUED PER DAY #2

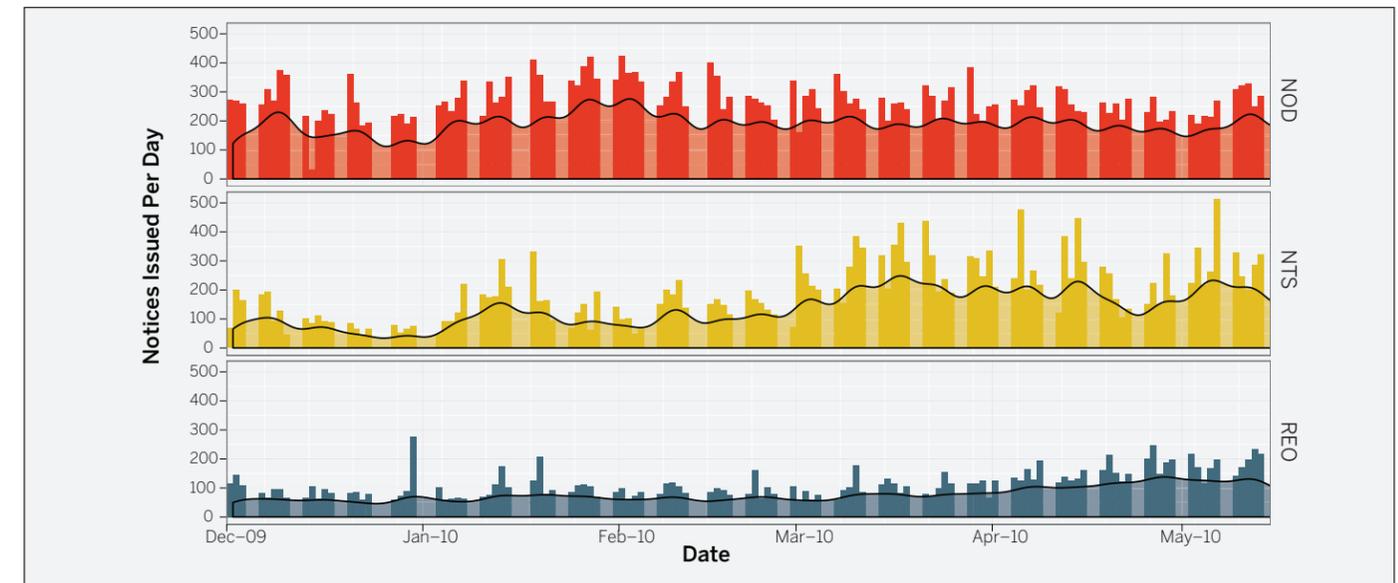


Figure 3

## Findings - Personal Interviews

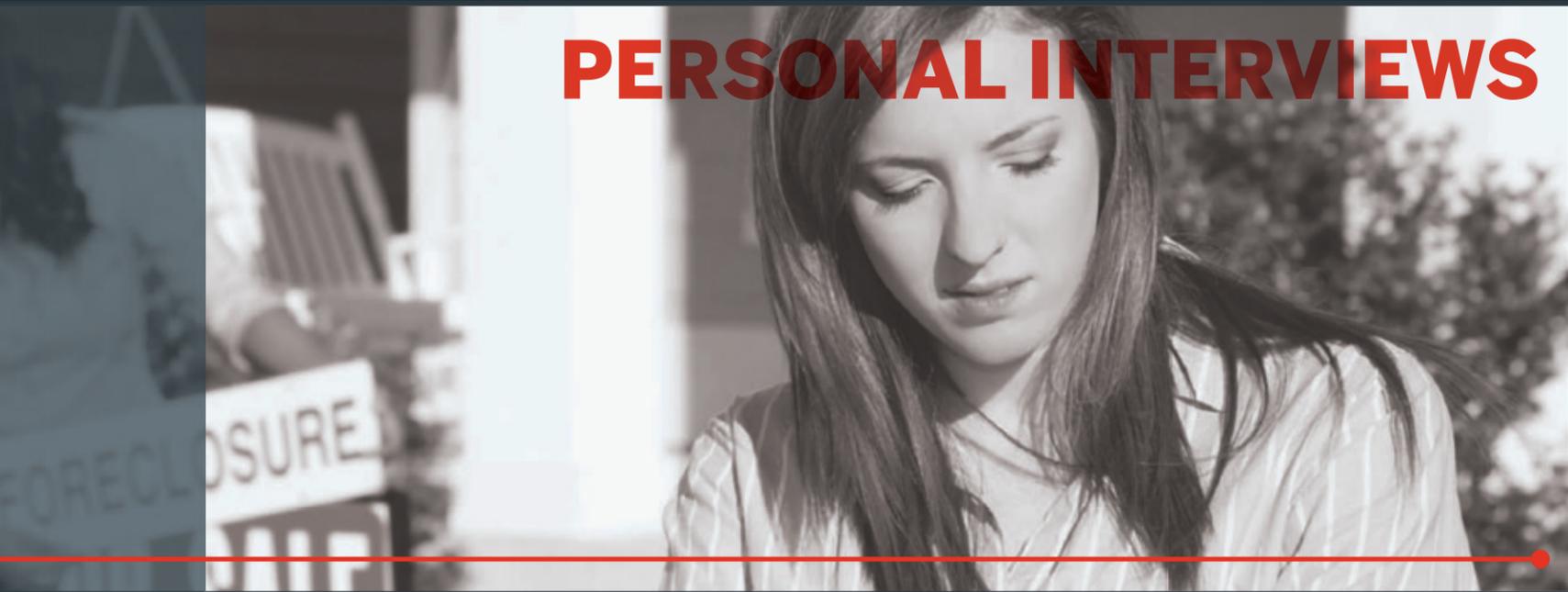
In order to more fully understand the foreclosure crisis in Nevada, it is necessary to seek the opinions of those who have personally experienced foreclosure.

The Nevada Association of REALTORS® did just that. Through telephone interviews with 1,000 people and focus groups held in Las Vegas, those most affected by foreclosure were given a chance to have their voices heard.

**These are their stories.**

In This Section

- Key Findings
- Strategic Defaults
- The Foreclosure Experience
- Program Awareness



# PERSONAL INTERVIEWS

## Findings - Personal Interviews

### KEY FINDINGS

- Nearly one-quarter of those undergoing foreclosure admitted that they defaulted on purpose, known as strategic default or “walking away.”
- Homeowners and those in affected neighborhoods all place the majority of blame on banks and lenders. Even those not personally experiencing foreclosure tend to blame banks, lenders and the government over individual homeowners. (See Figures 4 & 5)
- Very few of those facing foreclosure were aware of federal programs for foreclosure assistance.
- The foreclosure crisis has affected families of all income levels. In fact, the majority of those undergoing home foreclosure made between \$24,000 and \$72,000 per year at the time of foreclosure.

### WHERE HOMEOWNERS PLACE THE BLAME

Q: Who do you believe is mostly to blame for foreclosures in your neighborhood?

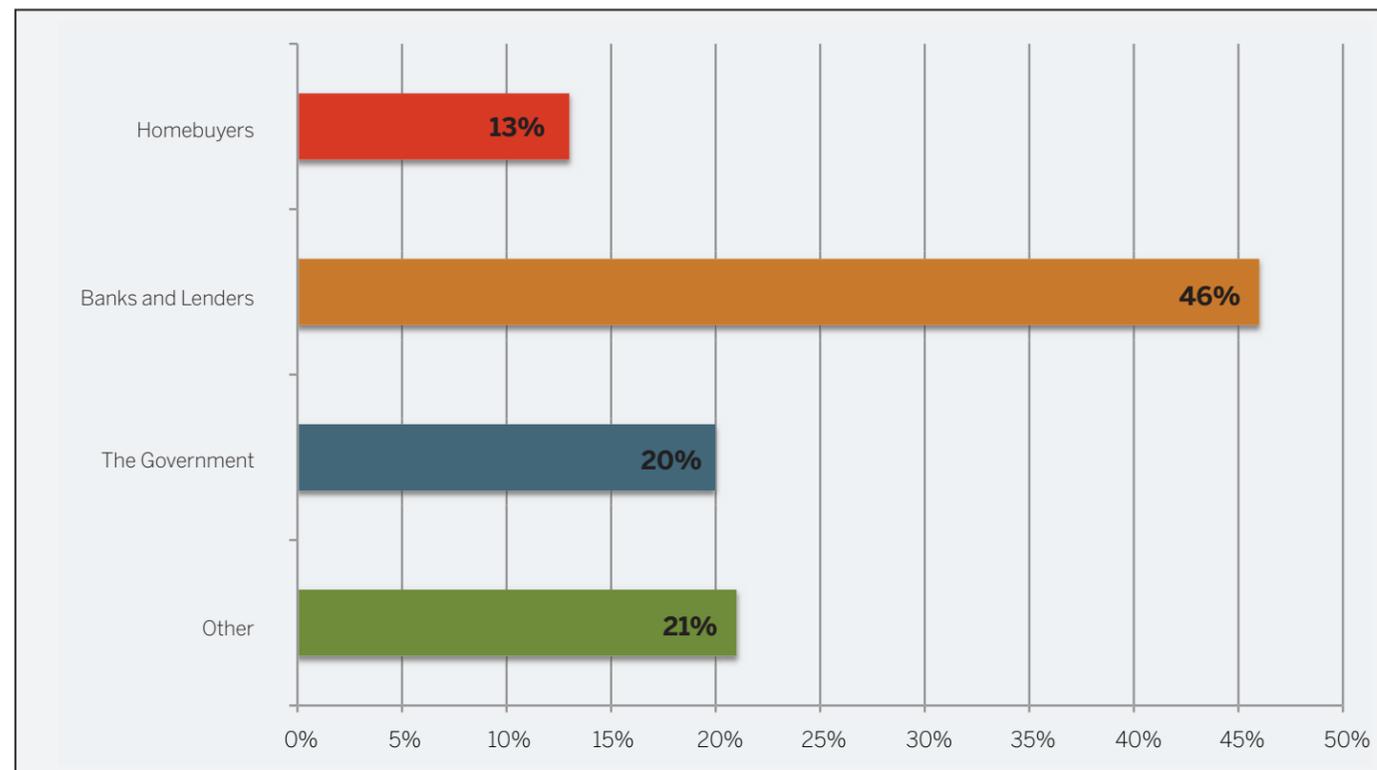


Figure 4

### WHERE HOMEOWNERS PLACE THE BLAME

Q: Who do you believe is mostly to blame for foreclosures in your neighborhood?

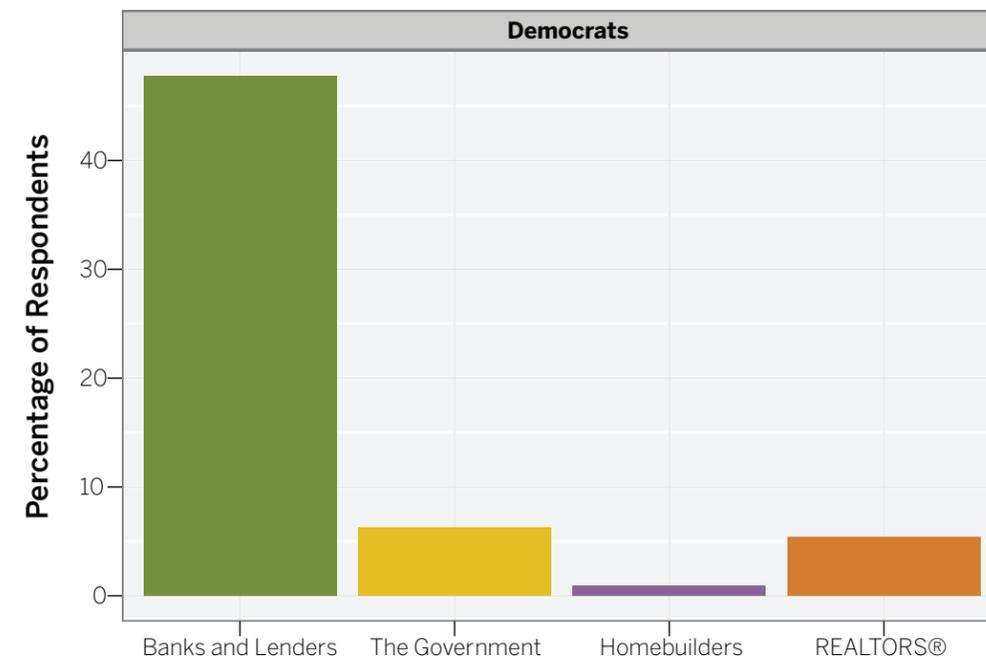
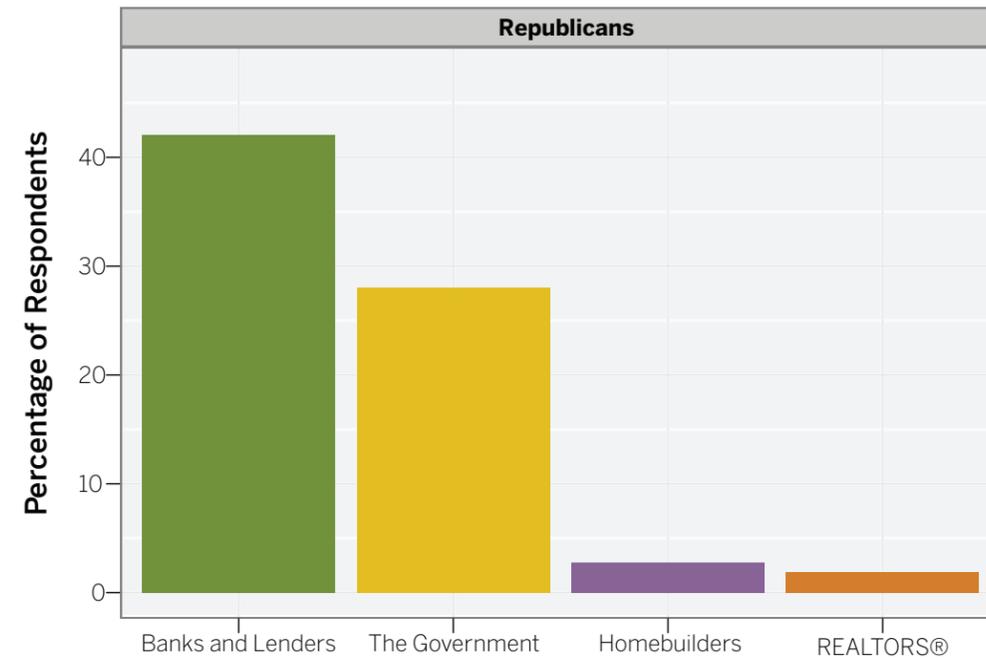


Figure 5

## Findings - Personal Interviews

**What is the “Plus One” Effect?** This phenomenon refers to the presence of two or more significant life events leading up to the foreclosure experience. A significant number of those experiencing foreclosure had not only one life-altering event but often several, putting them at high-risk for default. Those who avoided foreclosure were less likely to have experienced a “plus one” than those who didn’t.

### ‘TRIGGER EVENTS’ EXPERIENCED IN 12 MOS. LEADING UP TO FORECLOSURE

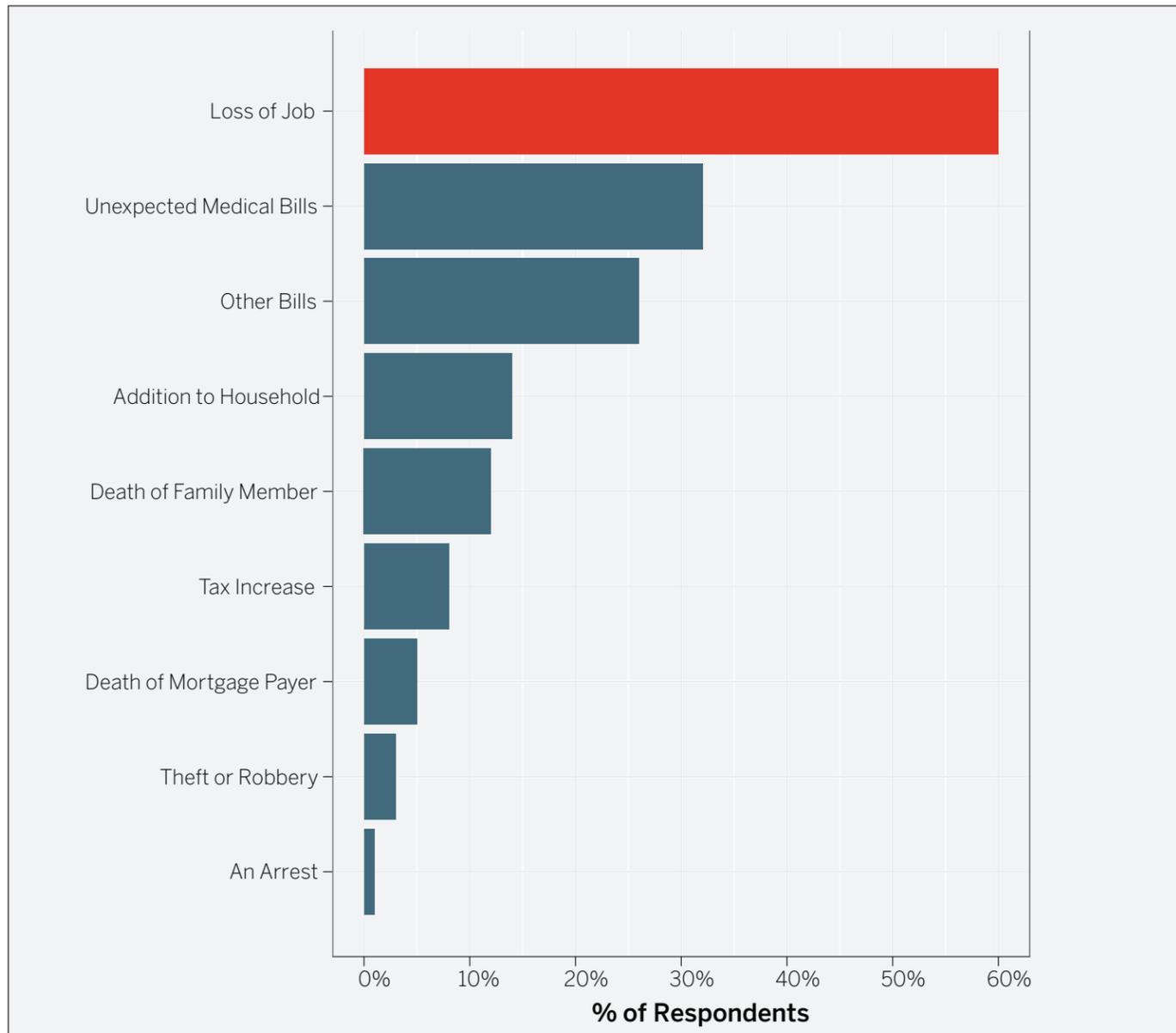


Figure 6

### NUMBER AND TYPE OF ‘TRIGGER’ EVENTS

# of Events	% of Respondents
0	9.2%
1	48.0%
2	25.0%
3	10.6%
4	5.0%
5	1.6%
6	0.6%

Table 3

Type of Event	% of Respondents
Loss of Job	60%
Unexpected Medical Bills	32%
Other Bills	26%
Addition to Household	14%
Death of Immediate Family Member	12%
Tax Increase	8%
Death of Primary Mortgage Payer	5%
Theft or Robbery	3%
An Arrest	1%

Table 4

### NUMBER OF ‘TRIGGER’ EVENTS, BY EXPERIENCE TYPE

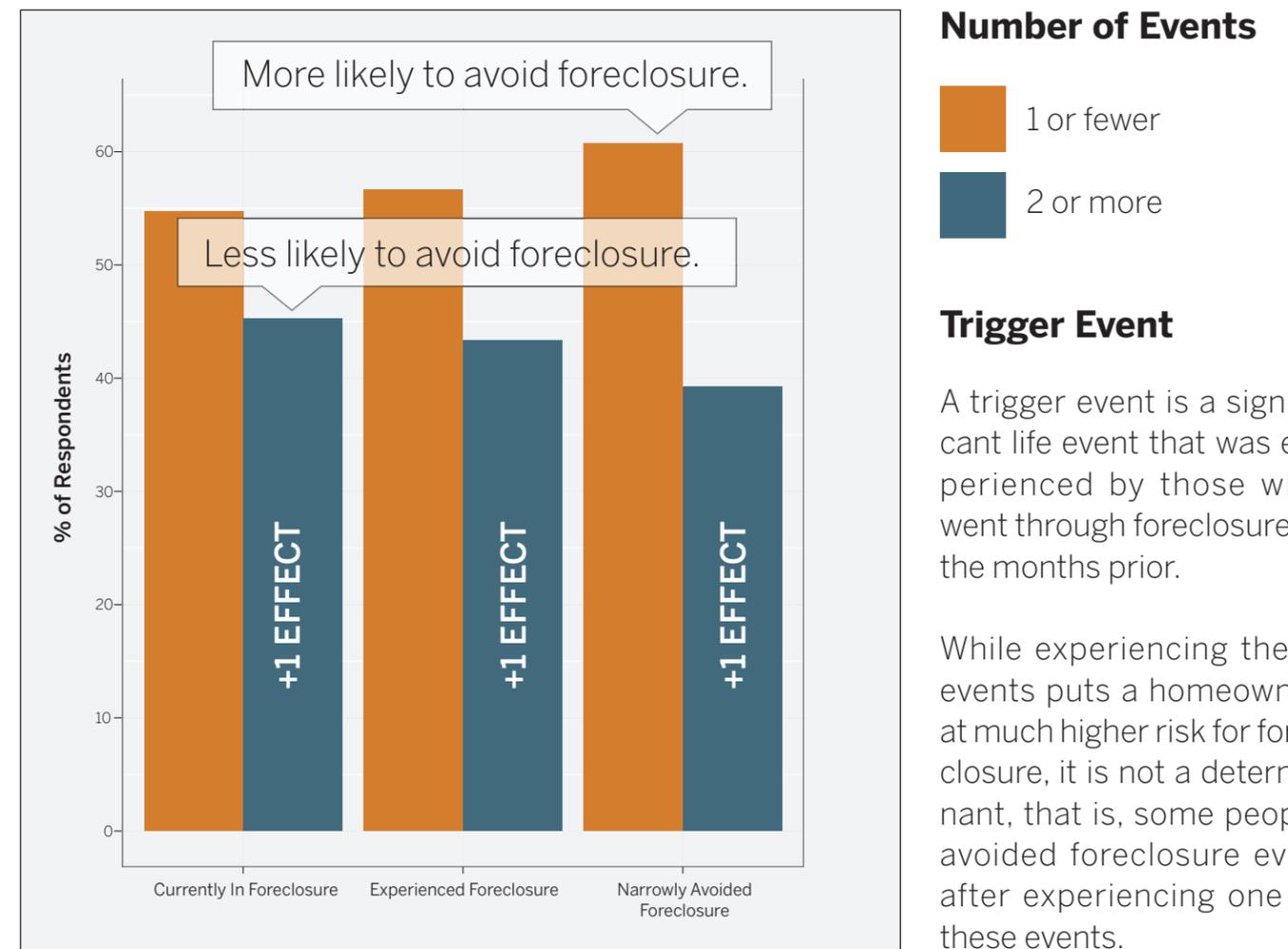


Figure 8

#### Number of Events

- 1 or fewer
- 2 or more

#### Trigger Event

A trigger event is a significant life event that was experienced by those who went through foreclosure in the months prior.

While experiencing these events puts a homeowner at much higher risk for foreclosure, it is not a determinant, that is, some people avoided foreclosure even after experiencing one of these events.

# Findings - Personal Interviews

## Housing Costs & Income

Much has been said about homeowners buying more home than they can afford. While many homeowners were spending less than one third of their income on housing at the time of foreclosure, most respondents were committing large portions of their income to housing costs. This financial strain put homeowners on the edge, making it difficult to cover unexpected expenses.

### MONTHLY INCOME VS. HOUSING COSTS

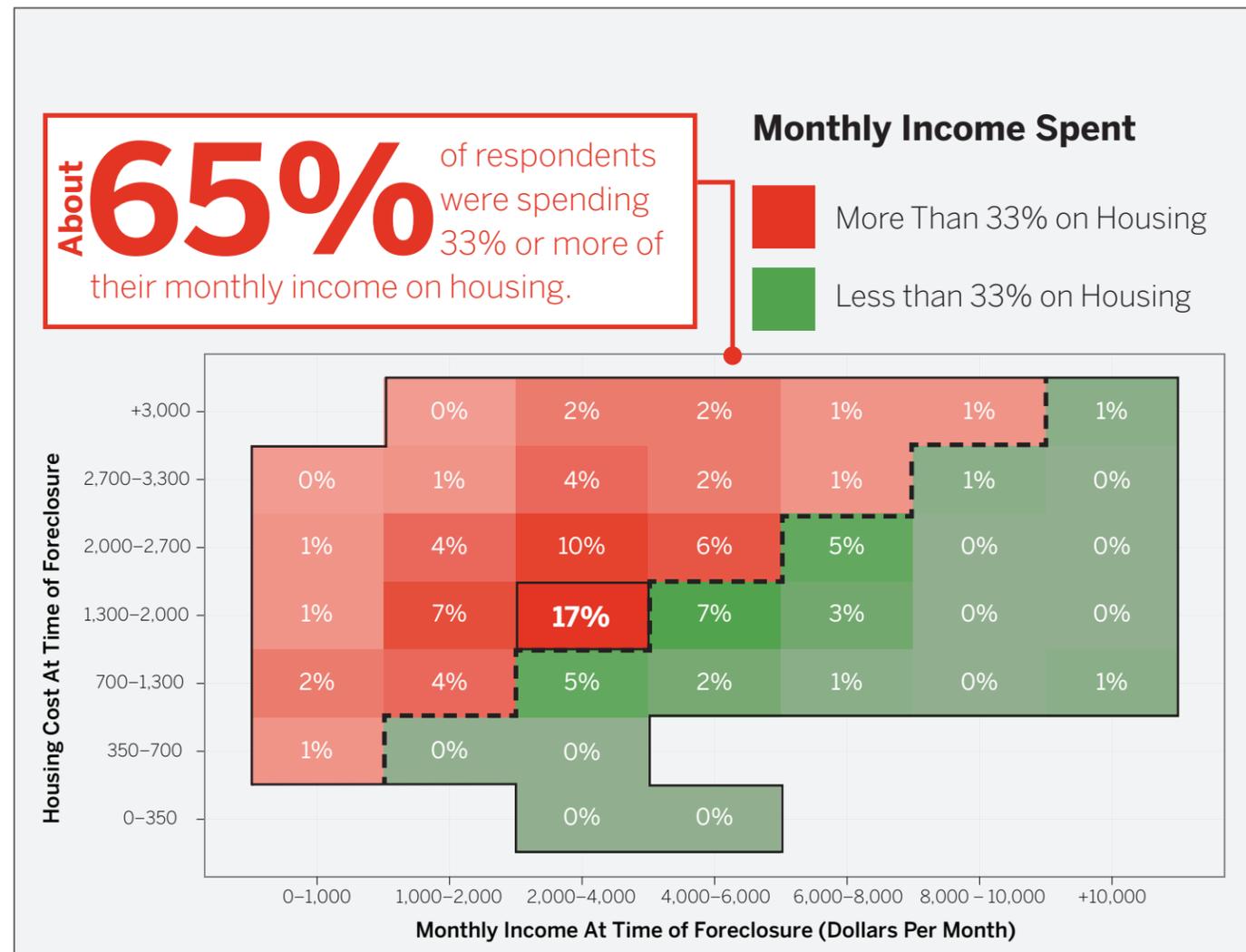


Figure 9

### RECOMMENDED HOUSING EXPENSES

Based on a \$4,000/mo income, the average household in Nevada should spend around \$1,300 on housing expenses. A family in the danger zone would be spending \$2,100 or more.



### HOUSING COSTS FOR HOUSEHOLD WITH \$4,000+ /MO INCOME

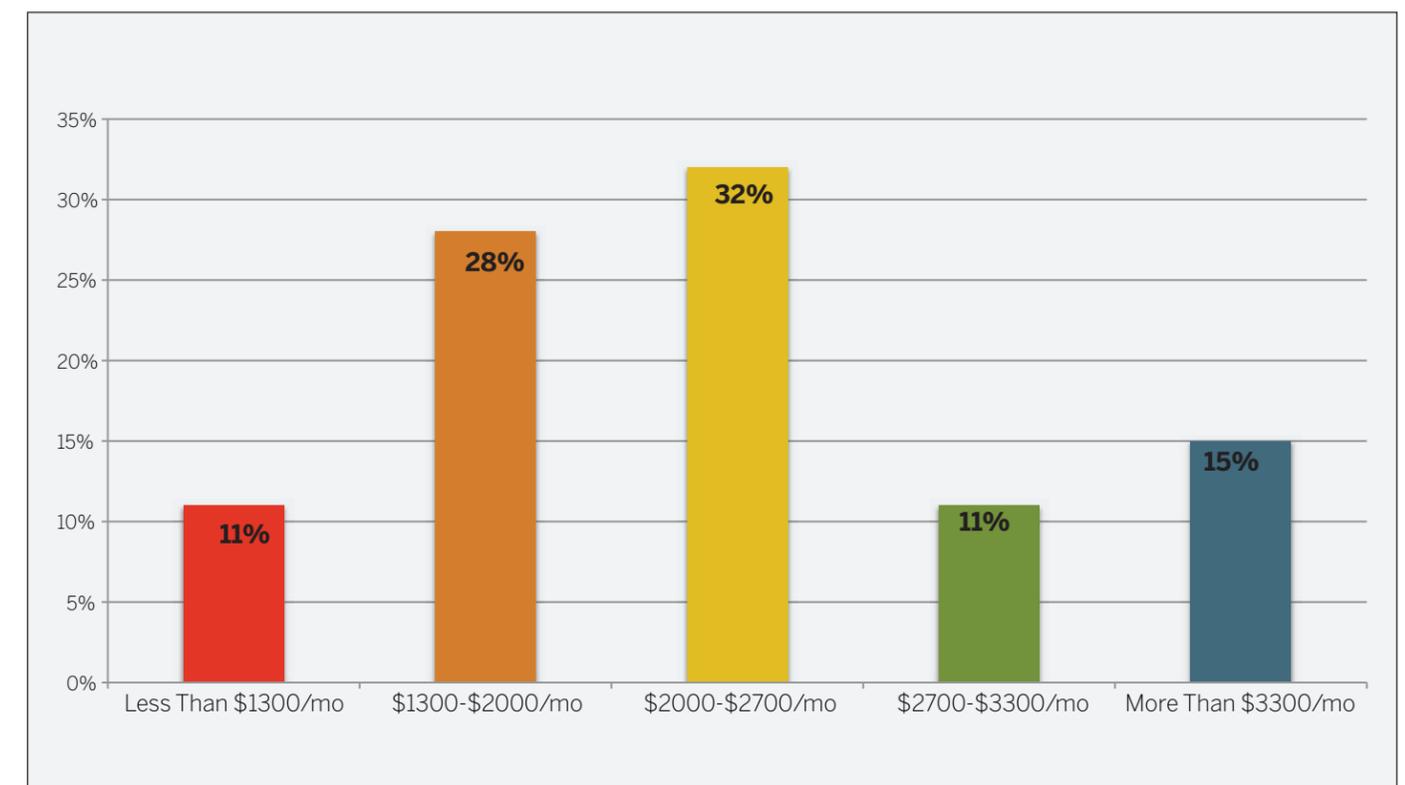
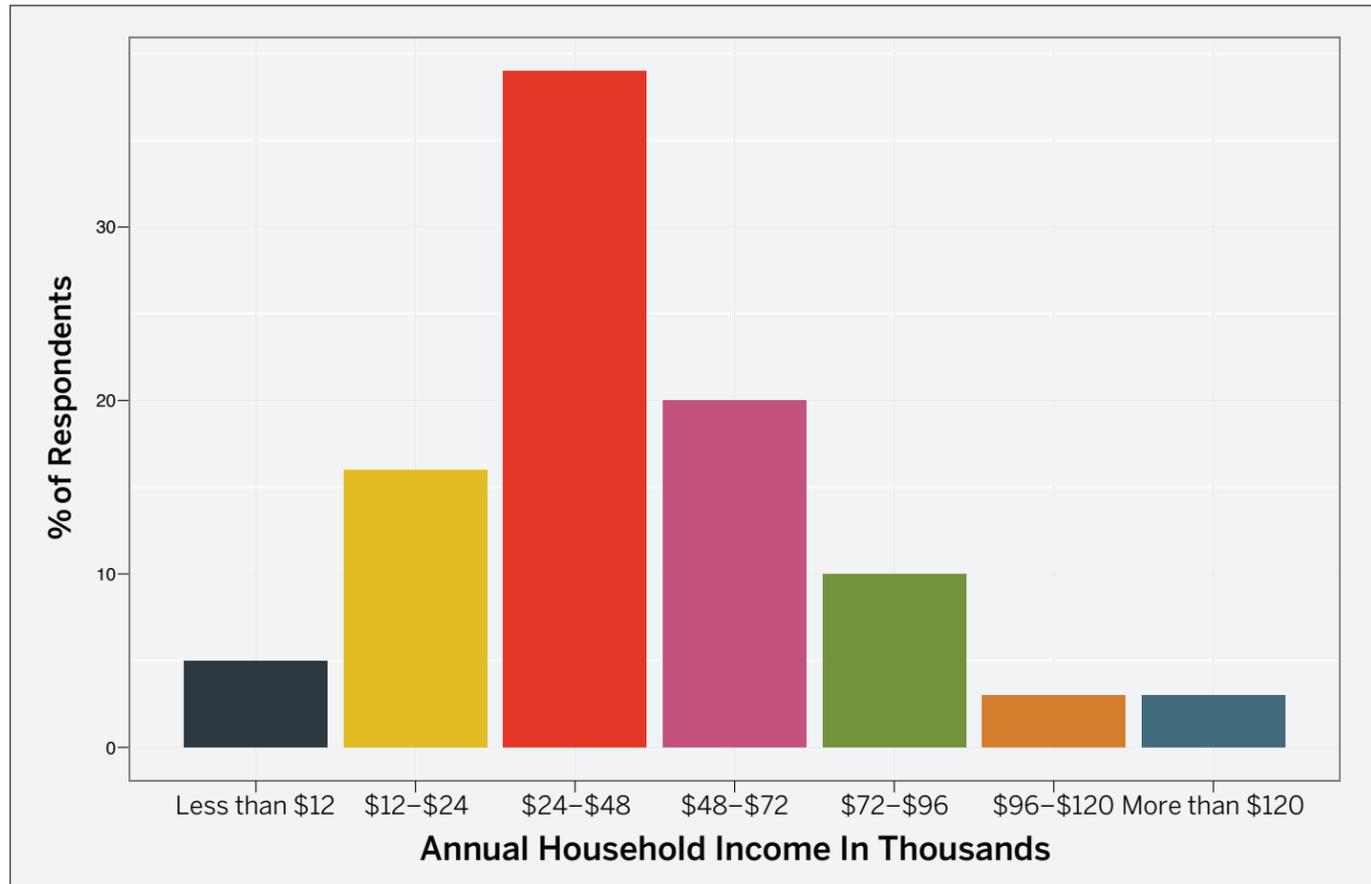


Figure 10

# Findings - Personal Interviews

## ANNUAL HOUSEHOLD INCOME AT TIME OF FORECLOSURE



Most foreclosures occur within mid-income households. The \$24,000 to \$48,000 income level makes up nearly 40% of foreclosures.

Figure 11

## RATE TYPE VS. LOAN TYPE

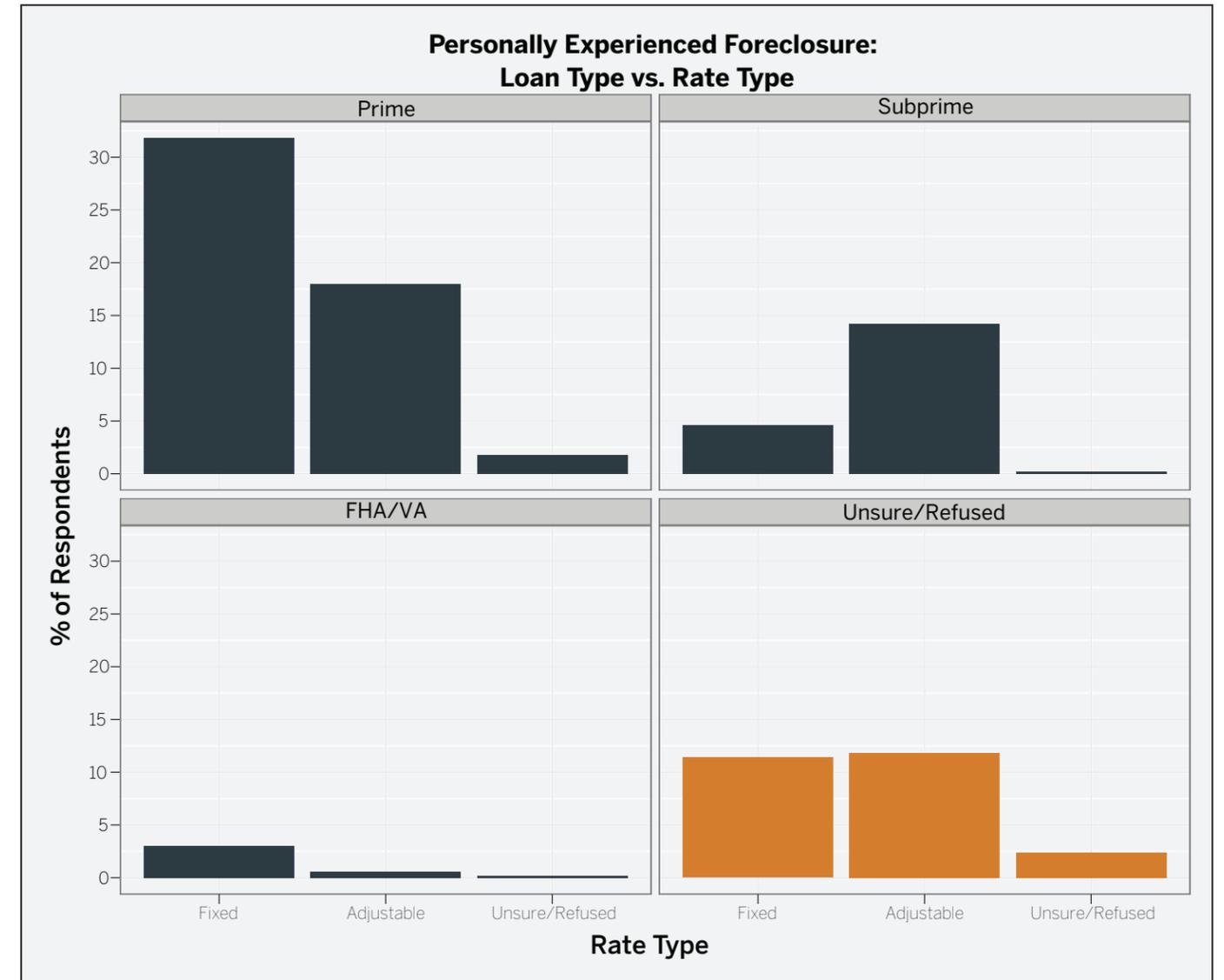


Figure 12

### Uninformed Owners:

A sizable portion of respondents had a fixed, prime loan. However, 25% did not know what type of loan they had (only 4% did not know what type of rate they had).

### Strategic Defaults

The problem of strategic default or “walking away” is growing in Nevada and around the country. Many observers, researchers and indeed this report have found that as many as one-quarter of foreclosures are strategic. This section examines some of the thinking and statistics among those who considered their own situation a strategic default.

#### HIGHLIGHTS

- **23% of those surveyed said they would classify their own situation as a strategic default.**
- **Many were advised by trusted confidants that strategic default was their best option.**
- **Older homeowners in trouble were much more likely to enter into strategic default.** (See Figure 15)
- **Nationwide, it is estimated that as many as one million homeowners have “walked away.”** (Source: 60 minutes, CBS News, 5-9-10)

#### Definition —

**Our question wording:** Some homeowners in Nevada have chosen to undergo a “strategic default” and stop making mortgage payments despite having the financial ability to make the payments. Some refer to this as “walking away” from a mortgage. Would you describe your current or recent situation as a “strategic default?”

**Industry standard: Strategic default** - the decision by a borrower to stop making payments on a debt despite having the financial ability to make the payments.

### Review of Other Studies

- *“Experian and Oliver Wyman [consulting firm] estimate that about 19 percent of all mortgage defaults last year involved intentional, strategic walkaways.”*  
– Washington Post, July 3rd, 2010
- *“Many borrowers in our sample bought houses at the peak of a housing bubble, put no money down, and seemingly had little to lose, financially, by walking away once home values dropped. Yet they pay a substantial premium over market rents to keep their homes. More typical borrowers therefore may be willing to pay an even larger premium given that they have likely invested more financially and emotionally in their house. Why borrowers choose to pay this premium is another direction for further research.”*  
– Federal Reserve Study, May 2010
- *“After distinguishing between defaults induced by job losses and other income shocks from those induced purely by negative equity, we find that the median borrower does not strategically default until equity falls to -62 percent of their home’s value.”*  
– Federal Reserve Study, May 2010

# 62%

According to the Federal Reserve,  
**“the average borrower does not strategically default until equity falls to negative 62%.”**



## Findings - Personal Interviews

**Q:** Factors that led respondent to undergo strategic default?

*“...they [**my bank**] said I would have to miss payments before they could talk to me.”*

- James, 61, Martinsville

*“**Loan was so upside down it would have never been okay.**”*

- Darlene, 57, Reno

*“**Couldn't sleep at night so decided to just leave the house.**”*

- Scott, 42, Sparks

*“**We were renting the property out and the tenants could not pay.**”*

- Nick, 70, Sparks

*“We just didn't have the money to pay anymore. We used up all our savings and our 401(k). We had no choice...”*

*“**...we just had to walk away.**”*

John, 71, Trona

## SIMPLIFYING SHORT SALES

**Q:** Would a policy of simplifying short sales so homeowners can quickly sell their homes have helped you avoid foreclosure, or would it not have helped?

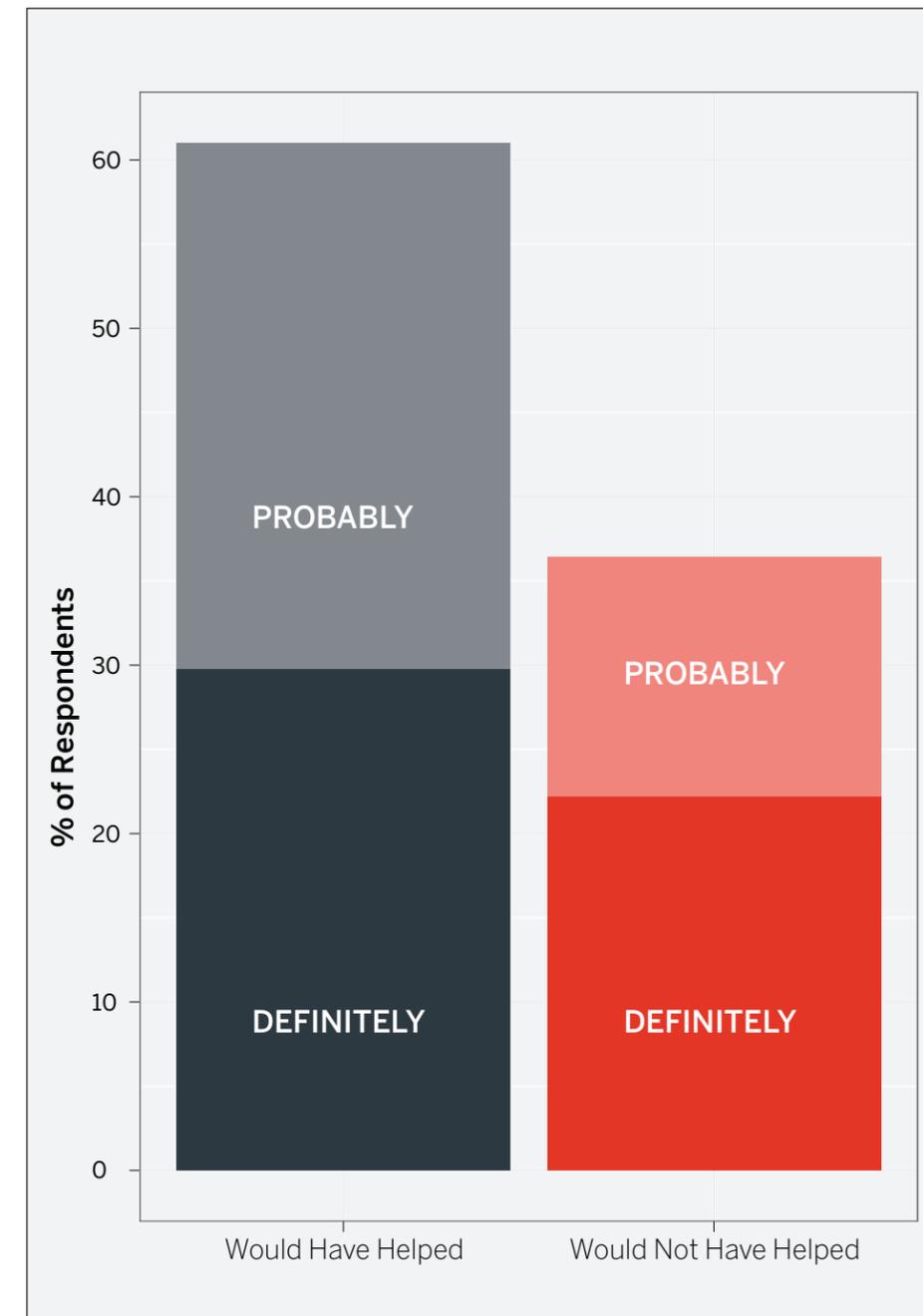


Figure 13

# Findings - Personal Interviews

## STRATEGIC DEFAULT AND JOB LOSS

**Q:** Please tell me whether you or another household wage earner experienced a loss of a job in the 12 months leading up to the foreclosure.

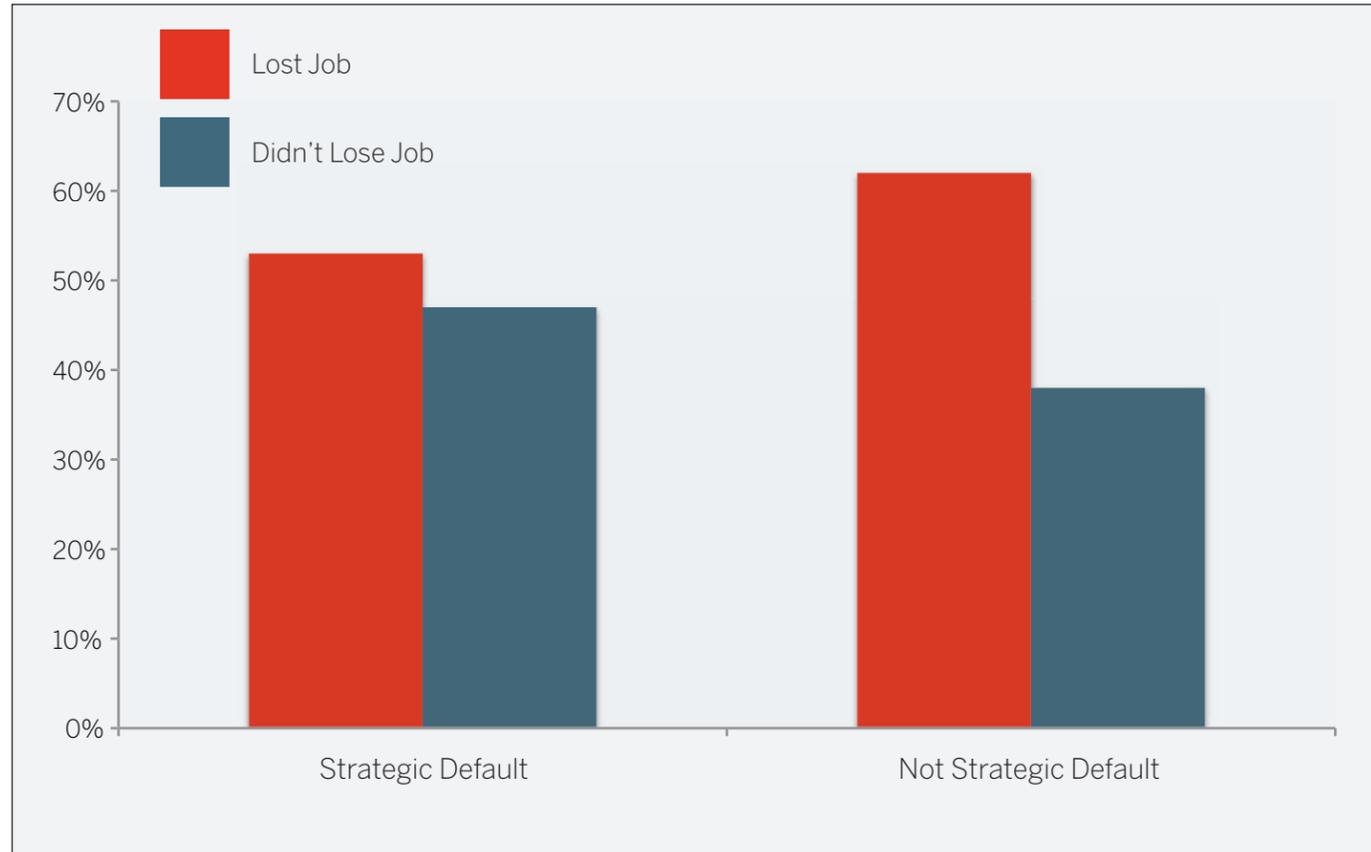


Figure 14

**Those who chose to default look much like the general foreclosure population at-large with a few notable exceptions.**

- Those most likely to have children in the home are also least likely to walk away
- Many more males chose to walk away than females (Figure 15)
- Less likely to have lost their job (Figure 14)

## RESPONDENTS DESCRIBING THEIR EXPERIENCE AS 'STRATEGIC DEFAULT'

Most unlikely to consider their situation a strategic default while over 30% of those 65 and older intentionally walked away from their mortgage.

Respondents of all income levels were equally as likely to describe their situation as a strategic default.

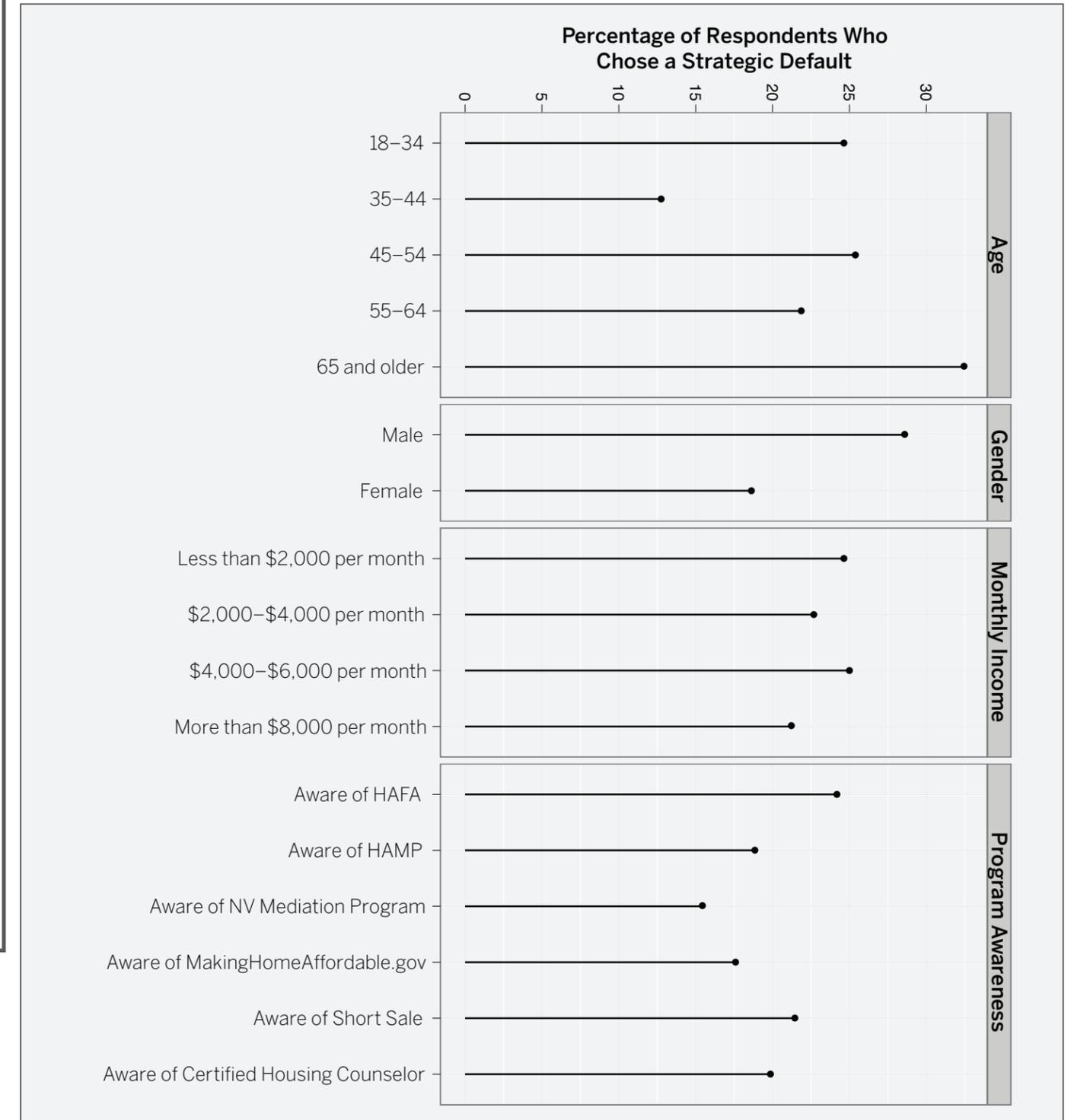


Figure 15

# Findings - Personal Interviews

## The Foreclosure Experience

When facing foreclosure, most individuals seek help and advice of some kind. Intuitively, many people turn to their lenders. Family and friends make up the next largest segment of advisors. Professionals like REALTORS®, foreclosure counselors and financial advisors are least consulted.

HIGHLIGHTS

- Nearly all those surveyed attempted to contact their lender
- Less than 30% contacted a foreclosure counselor
- Nearly 40% contacted a REALTOR® for advice
- Homeowners found lenders to be unwilling to help

### WHO DO THEY TURN TO FOR HELP?

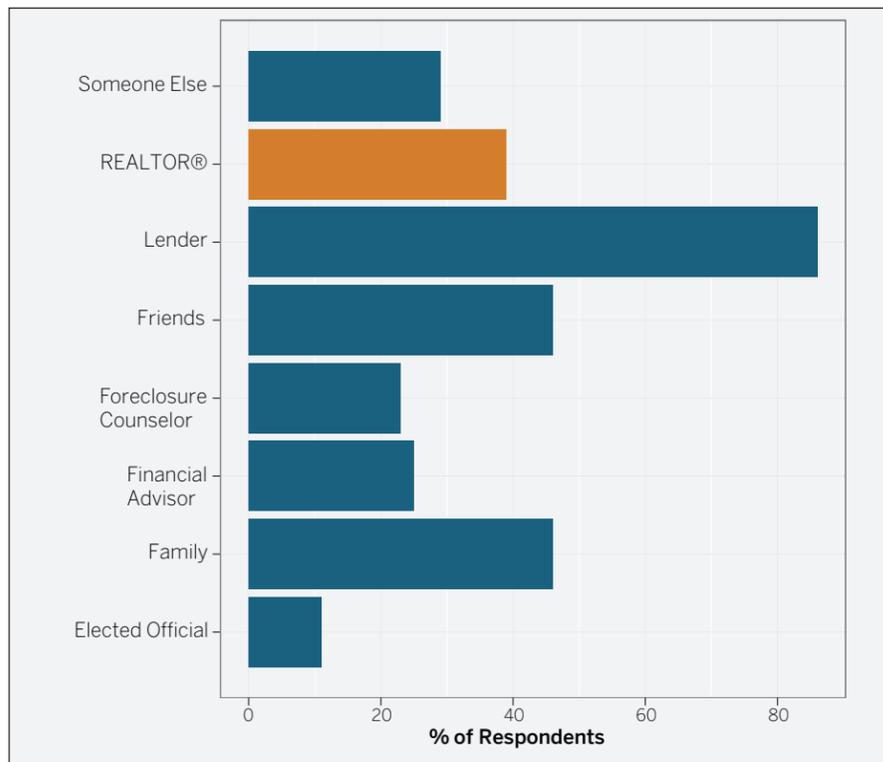


Figure 16

**Q:** During or before the foreclosure process, which of the following people or groups did you speak with to help you to try to avoid foreclosure?

**A:** Few struggling homeowners turn to foreclosure counselors.

### FINANCIAL ADVICE FOR HOMEBUYERS

**Q:** How willing was your lender to work with you?

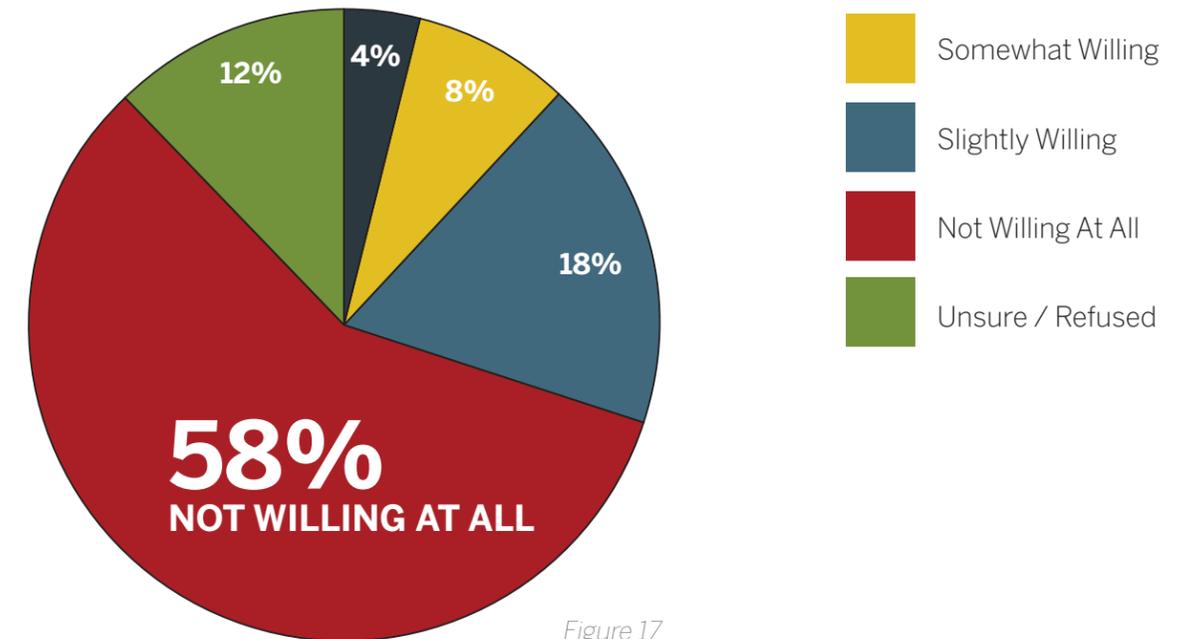


Figure 17

### TIME TO FORECLOSURE FROM FIRST NOTICE OF DEFAULT

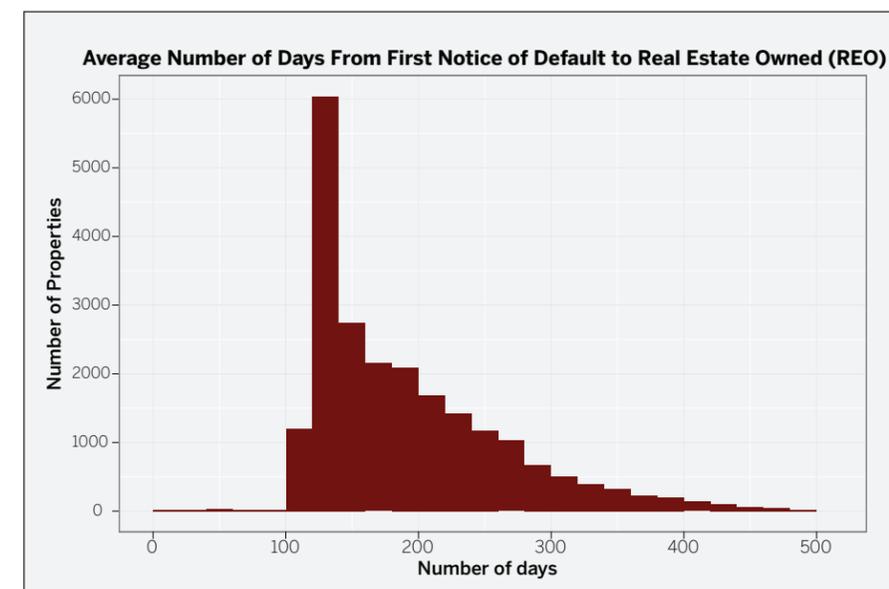


Figure 18

Of those properties that received both a NOD and REO, the average number of days between the two was 188, although many were out of their homes in 125 days.

# Findings - Personal Interviews

## Awareness of Foreclosure Prevention Programs

Federal and state foreclosure programs appear to be failing not just at the market level but most notably in the fact that struggling homeowners are completely unaware of the programs. Very few of those facing foreclosure even knew about the programs available and fewer still found them helpful. There is a clear disconnect between what programs are being offered and what is needed and used by those facing foreclosure.

### HIGHLIGHTS

- 61% of those surveyed had never heard of the HAFA (Home Affordable Foreclosure Alternative)
- Only 3% said they used the Nevada Foreclosure Mediation program and were helped by it
- Short Sale appears to be at least a moderately helpful tool in avoiding foreclosure – 10% said they used a short sale and it helped them

### CHARTS - AWARENESS OF

### FORECLOSURE ASSISTANCE PROGRAMS

#### Response

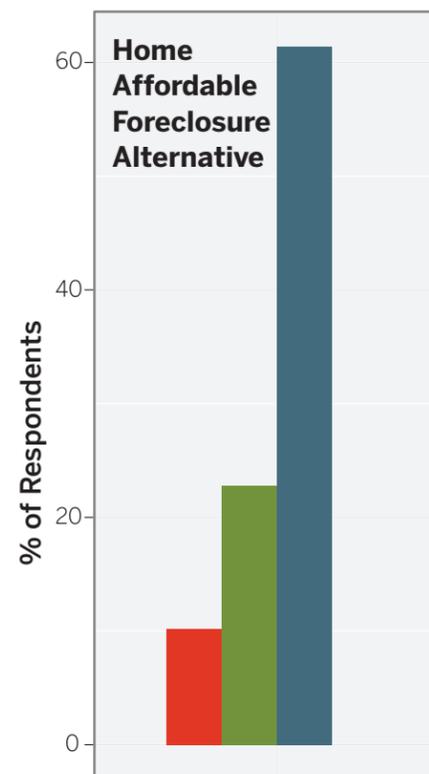


Figure 19.1

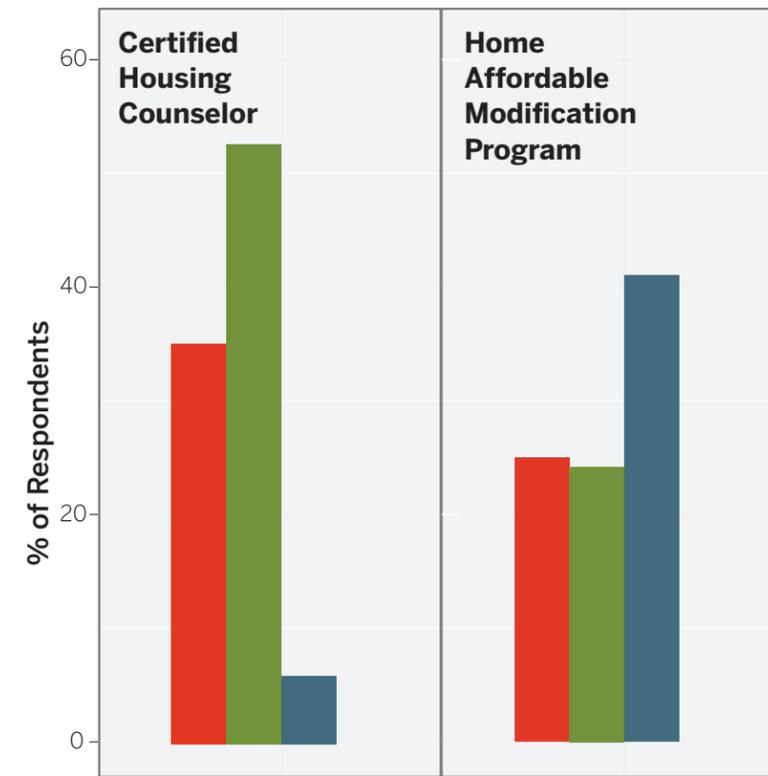
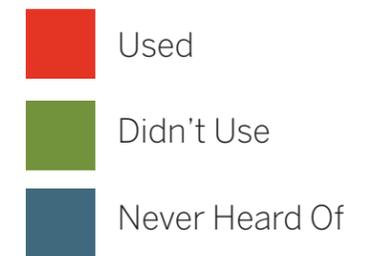


Figure 19.2

Figure 19.3

#### Response



#### Program Use

It is evident that many of these programs were not used or were never even heard of. These programs had qualifications that many homeowners did not meet.

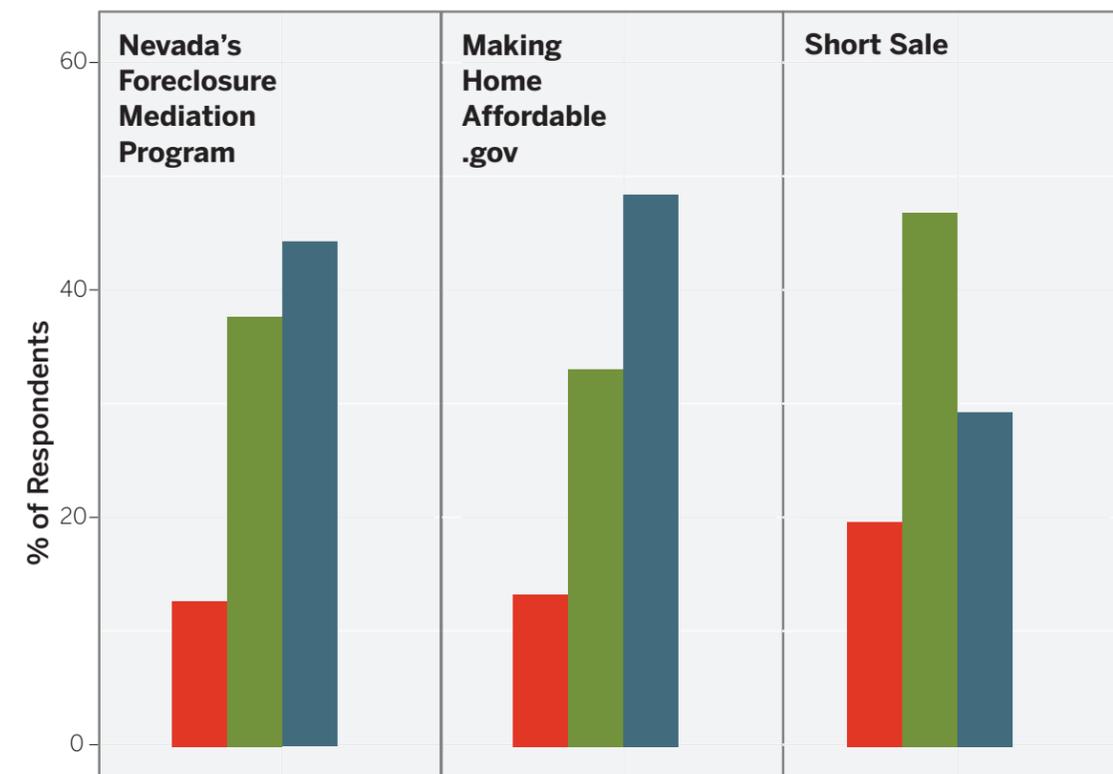


Figure 19.4

Figure 19.5

Figure 19.6

## Findings - Personal Interviews

### Government Funding Used By Nevada

- To date, Nevada has received \$103 million in federal aid (via the Hardest Hit Program, a subsidiary of the federal government's \$700 billion Troubled Asset Relief Program) in order to combat foreclosures. However, the nonprofit organization selected to distribute the funds, known as the Nevada Affordable Housing Assistance Corporation (NAHAC), has failed to spend much of it as banks have declined to participate in any relief efforts. Currently, the NAHAC is insufficiently staffed, not open for business, and unable to receive applications from troubled homeowners.
  - *8NewsNow.com, June 24, 2010*
  - *Las Vegas Review Journal, December 5, 2010*
- By accepting funds, Nevada agreed to create a mortgage modification program with a goal of reducing principal to less than 115% of loan-to-value (LTV) and lowering payments to 31% of debt-to-income (DTI). Nevada is required to offer assistance to reduce or eliminate second liens with earned forgiveness over a three-year term. In addition, Nevada is supposed to provide allowances for appraisal, transaction, and moving fees, a three-month legal allowance, and incentives for borrowers and servicers to perform short sales.
  - *SmartMoney.com, 2010*
- Considering the fact that Nevada has the most severe foreclosure crisis in the country, the amount of federal funding the state has received is quite insufficient.

## Solutions

A comprehensive study of Nevada's foreclosure crisis helps to inform possible remedies. Unfortunately, there is no easy answer. Any action taken must give careful consideration to the short-term and long-term impacts on not just Nevada's housing market, but the state's economy as a whole.

Here we summarize solutions proposed by those experiencing foreclosure, as well as offer our own suggestions for consideration.

### Viable Solutions

- Suggestions From Those Most Affected
- NVAR Recommendations



# Solutions

## Suggestions From Those Most Affected

When talking to those who have personally experienced foreclosure, there is a clear theme in what they feel they need: help navigating the complex and difficult web that are banks and lenders. More specifically, the solutions most favored by those we surveyed are:

1. A law requiring someone at the lending institution who has the ability to modify their loan to **speak with the homeowner** before it goes into foreclosure. Eighty-three percent (83%) of those surveyed believed this would have helped them.
2. Encouraging short sales by **simplifying the process** so homeowners who are behind on their mortgages can quickly sell their homes. Sixty-one percent (61%) said this would have helped them.
3. Generally **reforming the way lenders and banks are required to track, communicate and process loans in trouble**. There was a general sense of despair among those surveyed centered around frustrations like having paperwork lost, speaking to multiple people about the same problem, not knowing who exactly owns their mortgage and having no real idea how to navigate their situation.

### WHAT WOULD HAVE HELPED?

**Q:** Do you believe that a law requiring the following would have helped you avoid foreclosure, or would it not have helped?

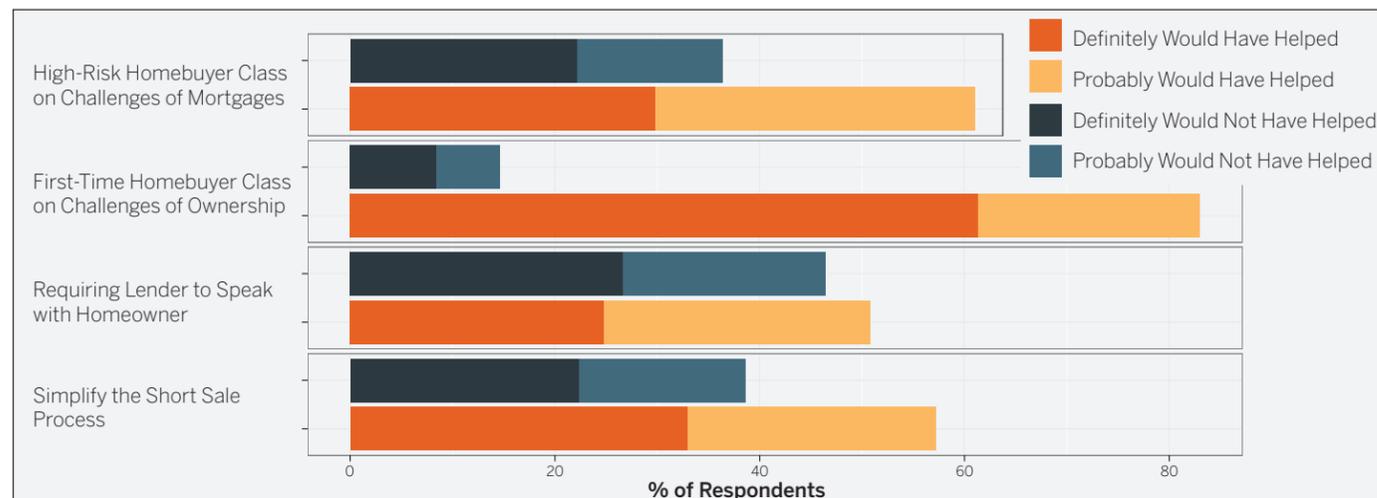


Figure 20

**Q:** What specific action could the State of Nevada have taken that would have helped you to avoid home foreclosure?

**“Better modification programs.”**

- Richard, 37, Henderson

**“I can’t blame the state. There are so many different scenarios that occur. [The] majority of the time it’s the banks not willing to work with homeowners.”**

- Karen, 40, Las Vegas

**“ABSOLUTELY NOTHING.”**

- Steven, 49, Las Vegas

**“Wasn’t the state, it was the industry.”**

- Joy, 52, North Las Vegas

**“Everything was centered in Las Vegas and if there had been an office in Reno Sparks area specifically set up for this it would have helped more.”**

- Brian, 38, Sparks

## NVAR Recommendations

The Nevada Association of REALTORS® believes that solutions to this crisis must involve several strategies. These include:

- *Legislative changes*
- *Advocacy and counseling options*
- *General market stabilization actions*



The leaders of the State of Nevada must consider solutions that address all three of these key areas. While progress was made last legislative session towards resolving some of the challenges facing homeowners underwater, our survey work shows that additional legislative efforts are warranted and that they need to be targeted towards providing the homeowner with better communication, and not hamstringing those attempting to work through the process. To that end, with the 2011 session upon us, we believe that policymakers need to focus in on several key initiatives:

1. Ensure that **consumers are not unfairly penalized by lending institutions through deficiency actions when the lenders are collecting on secondary funding sources** such as loss share agreements, or through insurance policies such as private mortgage insurance. This double dipping scenario, while creating a windfall for lending institutions, adversely impacts the consumer who is hamstrung from re-entering the housing market in the future.
2. Ensure that **lending instruments, when sold to collection entities, do not hamstring homeowners from future entry into the marketplace.**
3. Ensure that **lending entities respond in a timely fashion to cash strapped homeowners.** All too often, homeowners are working in good faith with their lenders on a loan modification only to discover that the lenders has foreclosed on their property.
4. Ensure that **servicers of loans of Nevada property owners are able to deal with Nevada homeowners in a prompt and efficient manner.** Servicers should have enough staff to answer phones, provide homeowners with information about their loans, and in general, be helpful to the property owners whose loans they are required to service.
5. Provide **regulatory structure** for property asset management companies.

The Nevada Association of REALTORS® is eager to work with state legislative leaders, lenders and other community leaders to offer solutions and ideas as well as support for the implementation of creative and strong solutions. We look forward to exploring these options together and continuing to give voice to those most affected by the crisis in Nevada.

# Appendices

## Survey Toplines - Personal Experiences

Q1- WOULD YOU SAY YOU APPROVE OR DISAPPROVE OF THE WAY THE NEVADA LEGISLATURE IS HANDLING NEVADA'S FORECLOSURE CRISIS?

BASE.....	500
STRONGLY APPROVE.....	4%
SOMEWHAT APPROVE.....	5%
SOMEWHAT DISAPPROVE.....	13%
STRONGLY DISAPPROVE.....	58%
NEITHER / UNSURE.....	20%
REFUSED.....	1%

Q1CAT - WOULD YOU SAY YOU APPROVE OR DISAPPROVE OF THE WAY THE NEVADA LEGISLATURE IS HANDLING NEVADA'S FORECLOSURE CRISIS?

BASE.....	500
TOTAL APPROVE.....	9%
TOTAL DISAPPROVE.....	71%
NEITHER / UNSURE.....	20%
REFUSED.....	1%

Q2- SOME HOMEOWNERS IN NEVADA HAVE CHOSEN TO UNDERGO A "STRATEGIC DEFAULT" AND STOP MAKING MORTGAGE PAYMENTS DESPITE HAVING THE FINANCIAL ABILITY TO MAKE THE PAYMENTS. SOME REFER TO THIS AS "WALKING AWAY" FROM A MORTGAGE. WOULD YOU DESCRIBE YOUR CURRENT OR RECENT SITUATION AS A "STRATEGIC DEFAULT?"

BASE.....	500
YES.....	23%
NO.....	74%
UNSURE.....	3%
REFUSED.....	*

Q4 - DID ANY OF THE FOLLOWING PEOPLE OR GROUPS ENCOURAGE YOU TO ENTER INTO A "STRATEGIC DEFAULT" OR WALK AWAY FROM THE MORTGAGE?

BASE.....	500
FAMILY.....	23%
FRIENDS.....	19%
FINANCIAL ADVISOR.....	18%
A REALTOR®.....	18%
THE LENDER.....	17%
FORECLOSURE COUNSELOR.....	11%
REFUSED.....	9%

Q6- WHICH OF THE FOLLOWING STATEMENTS IS CLOSEST TO YOUR OWN FEELINGS ABOUT WHAT WOULD HAVE BEEN MOST HELPFUL WHEN YOU FIRST FOUND OUT YOUR HOME WAS GOING TO BE FORECLOSED UPON?

BASE.....	500
SELLING YOUR HOME AND GET OUT AS QUICKLY AS POSSIBLE.....	15%
TEMPORARY FINANCIAL ASSISTANCE.....	20%
HELP NAVIGATING THE SYSTEM.....	33%
THERE WAS NOTHING THAT COULD HAVE BEEN DONE.....	22%
OTHER.....	6%
UNSURE.....	2%
REFUSED.....	*

Q7- HOME AFFORDABLE FORECLOSURE ALTERNATIVE

BASE.....	500
USED / HELPED.....	2%
USED / MADE NO DIFFERENCE.....	7%
USED / MADE THINGS WORSE.....	1%
DIDN'T USE.....	23%
NEVER HEARD OF.....	61%
DIDN'T QUALIFY.....	4%
UNSURE.....	2%
REFUSED.....	*

Q8- HOME AFFORDABLE MODIFICATION PROGRAM

BASE.....	500
USED / HELPED.....	3%
USED / MADE NO DIFFERENCE.....	15%
USED / MADE THINGS WORSE.....	7%
DIDN'T USE.....	24%
NEVER HEARD OF.....	41%
DIDN'T QUALIFY.....	5%
UNSURE.....	4%
REFUSED.....	*

Q9- NEVADA'S FORECLOSURE MEDIATION PROGRAM

BASE.....	500
USED / HELPED.....	3%
USED / MADE NO DIFFERENCE.....	8%
USED / MADE THINGS WORSE.....	3%
DIDN'T USE.....	38%
NEVER HEARD OF.....	44%
DIDN'T QUALIFY.....	2%
UNSURE.....	3%
REFUSED.....	*

Q10- MAKING HOME AFFORDABLE - DOT - GOV

BASE.....	500
USED / HELPED.....	3%
USED / MADE NO DIFFERENCE.....	9%
USED / MADE THINGS WORSE.....	2%
DIDN'T USE.....	33%
NEVER HEARD OF.....	49%
DIDN'T QUALIFY.....	2%
UNSURE.....	2%
REFUSED.....	1%

Q11- SHORT SALE

BASE.....	500
USED / HELPED.....	10%
USED / MADE NO DIFFERENCE.....	16%
USED / MADE THINGS WORSE.....	9%
DIDN'T USE.....	53%
NEVER HEARD OF.....	6%
DIDN'T QUALIFY.....	4%
UNSURE.....	1%
REFUSED.....	1%

# Appendices

## Survey Toplines - Personal Experiences Cont.

Q12- WORKING WITH A CERTIFIED HOUSING COUNSELOR

BASE.....	500
USED / HELPED.....	3%
USED / MADE NO DIFFERENCE.....	14%
USED / MADE THINGS WORSE.....	3%
DIDN'T USE.....	47%
NEVER HEARD OF.....	29%
DIDN'T QUALIFY.....	1%
UNSURE.....	2%
REFUSED.....	1%

Q14- REGARDLESS OF WHETHER OR NOT YOU HAVE EXPERIENCE WITH SHORT SALES, WOULD YOU SAY SHORT SALES ARE HELPFUL TO MOST HOMEOWNERS UNDERGOING FORECLOSURE, OR ARE THEY TOO COMPLEX, CONFUSING, AND SLOW TO BE USEFUL?

BASE.....	500
HELPFUL.....	27%
TOO COMPLEX / CONFUSING / SLOW.....	56%
UNSURE.....	16%
REFUSED.....	1%

Q15- ENCOURAGING SHORT SALES BY SIMPLIFYING THE PROCESS SO HOMEOWNERS WHO ARE BEHIND ON THEIR MORTGAGE CAN QUICKLY SELL THEIR HOMES.

BASE.....	500
DEFINITELY WOULD HAVE HELPED.....	30%
PROBABLY WOULD HAVE HELPED.....	31%
PROBABLY WOULD NOT HAVE HELPED.....	14%
DEFINITELY WOULD NOT HAVE HELPED.....	22%
UNSURE.....	2%
REFUSED.....	*

Q15CAT - ENCOURAGING SHORT SALES BY SIMPLIFYING THE PROCESS SO HOMEOWNERS WHO ARE BEHIND ON THEIR MORTGAGE CAN QUICKLY SELL THEIR HOMES.

BASE.....	500
TOTAL WOULD HAVE HELPED.....	61%
TOTAL WOULD NOT HAVE HELPED.....	36%
UNSURE.....	2%
REFUSED.....	*

Q16- A LAW REQUIRING SOMEONE AT THE LENDING INSTITUTION WHO HAS THE ABILITY TO MODIFY A LOAN TO SPEAK WITH THE HOMEOWNER BEFORE THE HOME GOES INTO FORECLOSURE.

BASE.....	500
DEFINITELY WOULD HAVE HELPED.....	61%
PROBABLY WOULD HAVE HELPED.....	22%
PROBABLY WOULD NOT HAVE HELPED.....	6%
DEFINITELY WOULD NOT HAVE HELPED.....	8%
UNSURE.....	2%
REFUSED.....	1%

Q16CAT - A LAW REQUIRING SOMEONE AT THE LENDING INSTITUTION WHO HAS THE ABILITY TO MODIFY A LOAN TO SPEAK WITH THE HOMEOWNER BEFORE THE HOME GOES INTO FORECLOSURE.

BASE.....	500
TOTAL WOULD HAVE HELPED.....	83%
TOTAL WOULD NOT HAVE HELPED.....	15%
UNSURE.....	2%
REFUSED.....	1%

Q17- A LAW REQUIRING FIRST-TIME HOMEBUYERS TO TAKE A SHORT CLASS TAUGHT BY A CERTIFIED HOUSING COUNSELOR ON THE RISKS AND CHALLENGES OF HOMEOWNERSHIP.

BASE.....	500
DEFINITELY WOULD HAVE HELPED.....	25%
PROBABLY WOULD HAVE HELPED.....	26%
PROBABLY WOULD NOT HAVE HELPED.....	20%
DEFINITELY WOULD NOT HAVE HELPED.....	27%
UNSURE.....	2%
REFUSED.....	1%

Q17CAT - A LAW REQUIRING FIRST-TIME HOMEBUYERS TO TAKE A SHORT CLASS TAUGHT BY A CERTIFIED HOUSING COUNSELOR ON THE RISKS AND CHALLENGES OF HOMEOWNERSHIP.

BASE.....	500
TOTAL WOULD HAVE HELPED.....	51%
TOTAL WOULD NOT HAVE HELPED.....	46%
UNSURE.....	2%
REFUSED.....	1%

Q18- A LAW REQUIRING HIGH-RISK HOMEBUYERS, SUCH AS THOSE WITH LOW DOWN-PAYMENTS OR LOW-INCOME, TO TAKE A SHORT CLASS TAUGHT BY A CERTIFIED HOUSING COUNSELOR ON THE RISKS AND CHALLENGES OF TAKING ON A MORTGAGE.

BASE.....	500
DEFINITELY WOULD HAVE HELPED.....	33%
PROBABLY WOULD HAVE HELPED.....	24%
PROBABLY WOULD NOT HAVE HELPED.....	16%
DEFINITELY WOULD NOT HAVE HELPED.....	22%
UNSURE.....	3%
REFUSED.....	1%

Q18CAT - A LAW REQUIRING HIGH-RISK HOMEBUYERS, SUCH AS THOSE WITH LOW DOWN-PAYMENTS OR LOW-INCOME, TO TAKE A SHORT CLASS TAUGHT BY A CERTIFIED HOUSING COUNSELOR ON THE RISKS AND CHALLENGES OF TAKING ON A MORTGAGE.

BASE.....	500
TOTAL WOULD HAVE HELPED.....	57%
TOTAL WOULD NOT HAVE HELPED.....	39%
UNSURE.....	3%
REFUSED.....	1%

Q19 - DURING OR BEFORE THE FORECLOSURE PROCESS, WHICH OF THE FOLLOWING PEOPLE OR GROUPS DID YOU SPEAK WITH TO HELP YOU TRY TO AVOID FORECLOSURE?

BASE.....	500
THE LENDER OR BANK.....	86%
YOUR REALTOR®.....	39%
FRIENDS.....	46%
FAMILY.....	46%
FORECLOSURE COUNSELOR.....	23%
ELECTED OFFICIAL.....	11%
FINANCIAL ADVISOR.....	25%
SOMEONE ELSE.....	29%

# Appendices

## Survey Toplines - Personal Experiences Cont.

Q20- HOW WILLING WAS YOUR LENDER TO WORK WITH YOU? WOULD YOU SAY YOUR LENDER WAS VERY WILLING, SOMEWHAT WILLING, SLIGHTLY WILLING, OR NOT WILLING AT ALL TO WORK WITH YOU?

BASE.....	428
VERY WILLING.....	4%
SOMEWHAT WILLING.....	8%
SLIGHTLY WILLING.....	18%
NOT WILLING AT ALL.....	58%
UNSURE.....	7%
REFUSED.....	5%

Q21- WHICH OF THE FOLLOWING BEST DESCRIBES YOUR EXPERIENCE?

BASE.....	500
EXPERIENCED FORECLOSURE.....	48%
AVOIDED FORECLOSURE.....	16%
RENTED FROM A FORECLOSED PROPERTY.....	1%
CURRENTLY IN FORECLOSURE.....	30%
OTHER.....	5%
UNSURE.....	1%
REFUSED.....	*

Q22 - PLEASE TELL ME WHETHER YOU OR ANOTHER HOUSEHOLD WAGE EARNER EXPERIENCED ANY OF THE FOLLOWING IN THE 12 MONTHS LEADING UP TO THE FORECLOSURE:

BASE.....	500
LOSS OF JOB.....	60%
ADDITION TO HOUSEHOLD.....	14%
DEATH OF PRIMARY MORTGAGE PAYER.....	5%
DEATH OF IMMEDIATE FAMILY MEMBER.....	12%
AN ARREST.....	1%
TAX INCREASE.....	8%
UNEXPECTED MEDICAL BILLS.....	32%
THEFT OR ROBBERY.....	3%
OTHER BILLS.....	26%
REFUSED.....	1%

Q23- NOW THINKING ABOUT THE LOAN THAT WAS TAKEN OUT ON THE PROPERTY THAT UNDERWENT FORECLOSURE, WAS IT A PRIME LOAN OR A SUBPRIME LOAN?

BASE.....	500
PRIME.....	52%
SUBPRIME.....	19%
FHA.....	3%
VA.....	1%
UNSURE.....	25%
REFUSED.....	1%

Q24- AND WAS IT A FIXED-RATE LOAN OR AN ADJUSTABLE-RATE LOAN?

BASE.....	500
FIXED.....	51%
ADJUSTABLE.....	45%
UNSURE.....	4%
REFUSED.....	*

Q25- AT THE TIME OF FORECLOSURE, WAS YOUR TOTAL HOUSEHOLD INCOME GREATER THAN OR LESS THAN \$4,000 PER MONTH?

BASE.....	500
\$0-\$1,000 PER MONTH.....	5%
\$1,000-\$2,000 PER MONTH.....	16%
\$2,000-\$4,000 PER MONTH.....	39%
\$4,000-\$6,000 PER MONTH.....	20%
\$6,000-\$8,000 PER MONTH.....	10%
\$8,000-\$10,000 PER MONTH.....	3%
GREATER THAN \$10,000 PER MONTH.....	3%
UNSURE.....	3%
REFUSED.....	2%

Q26- JUST BEFORE THE TIME OF FORECLOSURE, WERE YOUR MONTHLY MORTGAGE PAYMENTS, INCLUDING TAXES AND INSURANCE, GREATER THAN OR LESS THAN THIRTEEN HUNDRED DOLLARS PER MONTH?

BASE.....	500
LESS THAN \$350 PER MONTH.....	*
\$350-\$700 PER MONTH.....	1%
\$700-\$1,300 PER MONTH.....	15%
\$1,300-\$2,000 PER MONTH.....	36%
\$2,000-\$2,700 PER MONTH.....	27%
\$2,700-\$3,300 PER MONTH.....	9%
MORE THAN \$3,300 PER MONTH.....	8%
UNSURE.....	3%
REFUSED.....	1%

Q27- AT THE TIME OF YOUR FORECLOSURE, HOW LONG HAD YOU BEEN LIVING IN YOUR HOME? WAS IT LESS THAN SIX MONTHS, SIX MONTHS TO ONE YEAR, ONE TO TWO YEARS, TWO YEARS TO FIVE YEARS, OR MORE THAN FIVE YEARS?

BASE.....	500
LESS THAN 6 MONTHS.....	*
6 MONTHS-1 YEAR.....	4%
1-2 YEARS.....	12%
2-5 YEARS.....	37%
5 OR MORE YEARS.....	45%
REFUSED.....	2%

Q28- WHAT IS YOUR AGE AS OF YOUR MOST RECENT BIRTHDAY?

BASE.....	500
18 - 24.....	1%
25 - 34.....	10%
35 - 44.....	21%
45 - 54.....	25%
55 - 64.....	23%
65 - 74.....	13%
75 AND OLDER.....	4%
REFUSED.....	3%

GENDER

BASE.....	500
MALE.....	42%
FEMALE.....	58%

CNTYFIPS

BASE.....	500
CHU.....	1%
CLA.....	73%
ELK.....	*
LYO.....	5%
NYE.....	1%
STO.....	*
WAS.....	20%
OTHER.....	*

# Appendices

## Survey Toplines - Affected Neighborhoods

Q01- WOULD YOU SAY YOU APPROVE OR DISAPPROVE OF THE WAY THE NEVADA LEGISLATURE IS HANDLING NEVADA'S FORECLOSURE CRISIS?

BASE.....	500
STRONGLY APPROVE.....	2%
SOMEWHAT APPROVE.....	7%
SOMEWHAT DISAPPROVE.....	19%
STRONGLY DISAPPROVE.....	36%
NEITHER / UNSURE.....	34%
REFUSED.....	1%

Q01CAT- WOULD YOU SAY YOU APPROVE OR DISAPPROVE OF THE WAY THE NEVADA LEGISLATURE IS HANDLING NEVADA'S FORECLOSURE CRISIS?

BASE.....	500
TOTAL APPROVE.....	9%
TOTAL DISAPPROVE.....	56%
NEITHER / UNSURE.....	34%
REFUSED.....	1%

Q02- WOULD YOU SAY STRATEGIC DEFAULTS ARE A MAJOR PROBLEM, A MODERATE PROBLEM, A MINOR PROBLEM, OR NOT A PROBLEM AT ALL IN YOUR NEIGHBORHOOD?

BASE.....	500
MAJOR PROBLEM.....	35%
MODERATE PROBLEM.....	20%
MINOR PROBLEM.....	14%
NOT A PROBLEM.....	21%
UNSURE.....	10%
REFUSED.....	*

Q04- WHICH OF THE FOLLOWING STATEMENTS IS CLOSEST TO YOUR OWN FEELINGS ABOUT WHAT WOULD BE THE BEST ACTION FOR HOMEOWNERS TO TAKE WHEN THEY FIRST FIND OUT THEY'RE AT RISK OF FORECLOSURE?

BASE.....	500
SELL THEIR HOME.....	14%
GET FINANCIAL ASSISTANCE.....	20%
GET HELP NAVIGATING THE SYSTEM.....	44%
NOTHING.....	11%
OTHER.....	6%
UNSURE.....	4%
REFUSED.....	*

Q05- HOME AFFORDABLE FORECLOSURE ALTERNATIVE

BASE.....	500
HELPED.....	3%
MADE WORSE.....	2%
NO DIFFERENCE.....	9%
NEVER HEARD OF.....	80%
UNSURE.....	7%
REFUSED.....	*

Q06- HOME AFFORDABLE MODIFICATION PROGRAM

BASE.....	500
HELPED.....	12%
MADE WORSE.....	4%
NO DIFFERENCE.....	17%
NEVER HEARD OF.....	56%
UNSURE.....	10%
REFUSED.....	*

Q07- NEVADA'S FORECLOSURE MEDIATION PROGRAM

BASE.....	500
HELPED.....	7%
MADE WORSE.....	4%
NO DIFFERENCE.....	21%
NEVER HEARD OF.....	55%
UNSURE.....	13%
REFUSED.....	*

Q08- MAKING HOME AFFORDABLE - DOT – GOV

BASE.....	500
HELPED.....	8%
MADE WORSE.....	3%
NO DIFFERENCE.....	12%
NEVER HEARD OF.....	65%
UNSURE.....	12%
REFUSED.....	*

Q09- SHORT SALE

BASE.....	500
HELPED.....	33%
MADE WORSE.....	21%
NO DIFFERENCE.....	21%
NEVER HEARD OF.....	10%
UNSURE.....	15%
REFUSED.....	*

Q10- WORKING WITH A CERTIFIED HOUSING COUNSELOR

BASE.....	500
HELPED.....	25%
MADE WORSE.....	3%
NO DIFFERENCE.....	24%
NEVER HEARD OF.....	32%
UNSURE.....	15%
REFUSED.....	*

Q12- REGARDLESS OF WHETHER OR NOT YOU HAVE EXPERIENCE WITH SHORT SALES, WOULD YOU SAY SHORT SALES ARE HELPFUL TO MOST HOMEOWNERS UNDERGOING FORECLOSURE, OR ARE THEY TOO COMPLEX, CONFUSING, AND SLOW TO BE USEFUL?

BASE.....	500
HELPFUL.....	25%
TOO COMPLEX / CONFUSING / SLOW.....	49%
UNSURE.....	26%
REFUSED.....	1%

# Appendices

## Survey Toplines - Affected Neighborhoods Cont.

Q13- ENCOURAGING SHORT SALES BY SIMPLIFYING THE PROCESS SO HOMEOWNERS WHO ARE BEHIND ON THEIR MORTGAGE CAN QUICKLY SELL THEIR HOMES.

BASE.....	500
DEFINITELY WOULD HAVE HELPED .....	19%
PROBABLY WOULD HAVE HELPED .....	47%
PROBABLY WOULD NOT HAVE HELPED .....	18%
DEFINITELY WOULD NOT HAVE HELPED .....	7%
UNSURE .....	7%
REFUSED.....	1%

Q14- A LAW REQUIRING SOMEONE AT THE LENDING INSTITUTION WHO HAS THE ABILITY TO MODIFY A LOAN TO SPEAK WITH THE HOMEOWNER BEFORE THE HOME GOES INTO FORECLOSURE.

BASE.....	500
DEFINITELY WOULD HAVE HELPED .....	48%
PROBABLY WOULD HAVE HELPED .....	40%
PROBABLY WOULD NOT HAVE HELPED .....	7%
DEFINITELY WOULD NOT HAVE HELPED .....	3%
UNSURE .....	2%
REFUSED.....	*

Q15- A LAW REQUIRING FIRST-TIME HOMEBUYERS TO TAKE A SHORT CLASS TAUGHT BY A CERTIFIED HOUSING COUNSELOR ON THE RISKS AND CHALLENGES OF HOMEOWNERSHIP.

BASE.....	500
DEFINITELY WOULD HAVE HELPED .....	35%
PROBABLY WOULD HAVE HELPED .....	32%
PROBABLY WOULD NOT HAVE HELPED .....	16%
DEFINITELY WOULD NOT HAVE HELPED .....	13%
UNSURE .....	4%
REFUSED.....	*

Q16- A LAW REQUIRING HIGH-RISK HOMEBUYERS, SUCH AS THOSE WITH LOW DOWN-PAYMENTS OR LOW-INCOME, TO TAKE A SHORT CLASS TAUGHT BY A CERTIFIED HOUSING COUNSELOR ON THE RISKS AND CHALLENGES OF TAKING ON A MORTGAGE.

BASE.....	500
DEFINITELY WOULD HAVE HELPED .....	31%
PROBABLY WOULD HAVE HELPED .....	33%
PROBABLY WOULD NOT HAVE HELPED .....	15%
DEFINITELY WOULD NOT HAVE HELPED .....	16%
UNSURE .....	4%
REFUSED.....	*

Q17- WHO DO YOU BELIEVE IS MOSTLY TO BLAME FOR THE FORECLOSURES IN AND AROUND YOUR NEIGHBORHOOD?

BASE.....	500
HOMEBUYERS.....	13%
BANKS AND LENDERS.....	46%
REALTORS®.....	3%
HOMEBUILDERS .....	2%
THE GOVERNMENT.....	20%
OTHER .....	13%
UNSURE .....	2%
REFUSED.....	*

Q19- DO YOU OWN OR RENT YOUR HOME?

BASE.....	500
OWN.....	90%
RENT.....	8%
UNSURE / SOMEONE ELSE PAYS / NEITHER .....	2%
REFUSED.....	*

Q20- AND DO YOU HAVE A PRIME OR SUBPRIME MORTGAGE ON YOUR PRIMARY RESIDENCE?

BASE.....	500
PRIME.....	41%
SUBPRIME .....	4%
FHA .....	3%
VA.....	1%
PAID OFF / OWN OUTRIGHT .....	29%
UNSURE .....	17%
REFUSED.....	3%

Q21- DO YOU HAVE A FIXED-RATE LOAN OR AN ADJUSTABLE-RATE LOAN ON YOUR PRIMARY RESIDENCE?

BASE.....	500
FIXED.....	61%
ADJUSTABLE .....	7%
PAID OFF / OWN OUTRIGHT .....	29%
UNSURE .....	1%
REFUSED.....	2%

Q22- HOW LONG HAVE YOU LIVED IN YOUR CURRENT NEIGHBORHOOD? WOULD YOU SAY LESS THAN SIX MONTHS, SIX MONTHS TO ONE YEAR, ONE TO TWO YEARS, TWO YEARS TO FIVE YEARS, OR MORE THAN FIVE YEARS?

BASE.....	500
LESS THAN 6 MONTHS .....	1%
6 MONTHS-1 YEAR .....	*
1-2 YEARS.....	5%
2-5 YEARS .....	16%
5 OR MORE YEARS .....	77%
REFUSED.....	1%

AGE

BASE.....	500
18-24.....	1%
25-34 .....	6%
35-44 .....	11%
45-54 .....	14%
55-64 .....	24%
65-74.....	31%
75+ .....	14%

POLITICAL PARTY

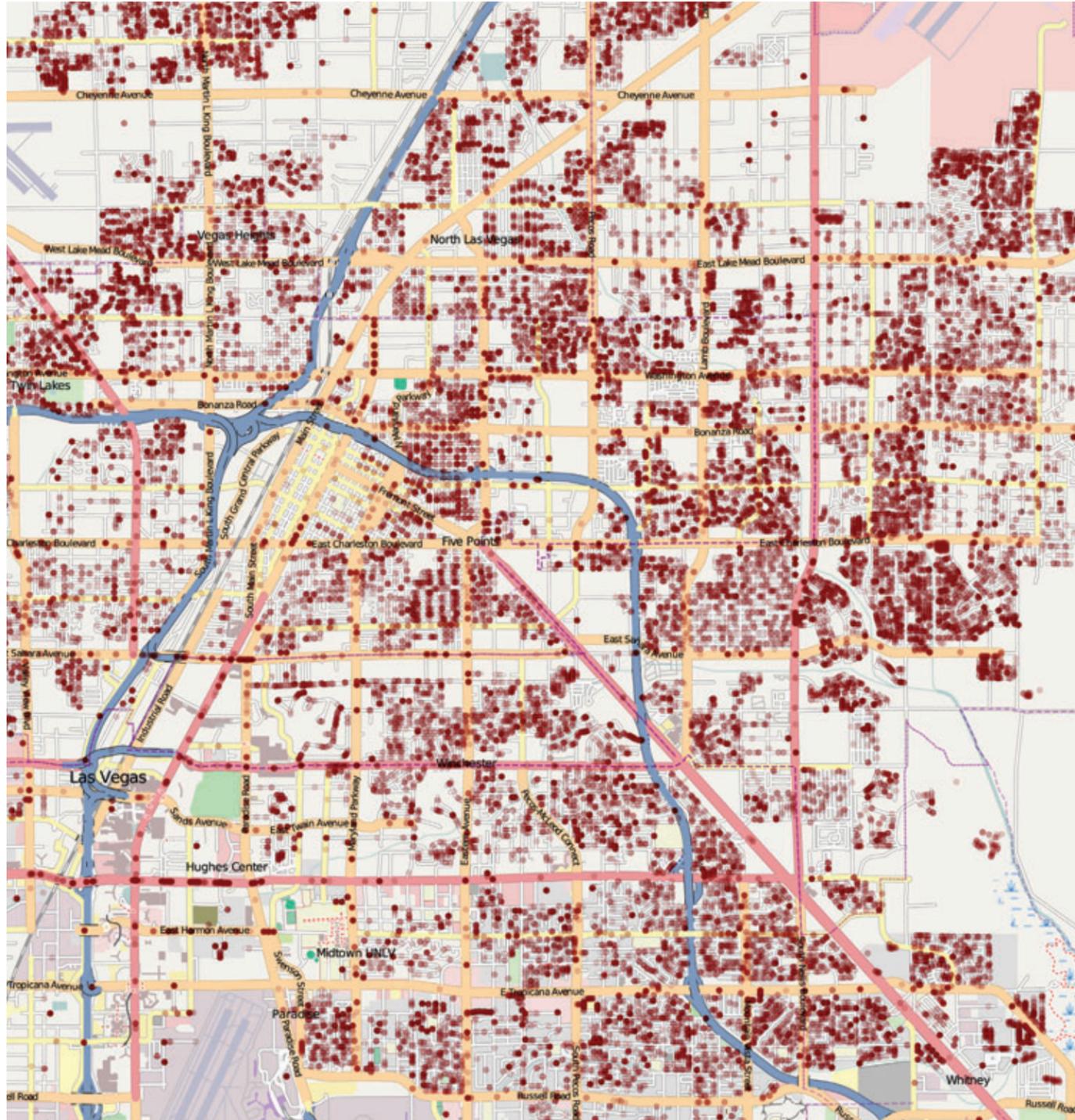
BASE.....	500
REP .....	21%
DEM .....	22%
OTHER .....	56%

GENDER

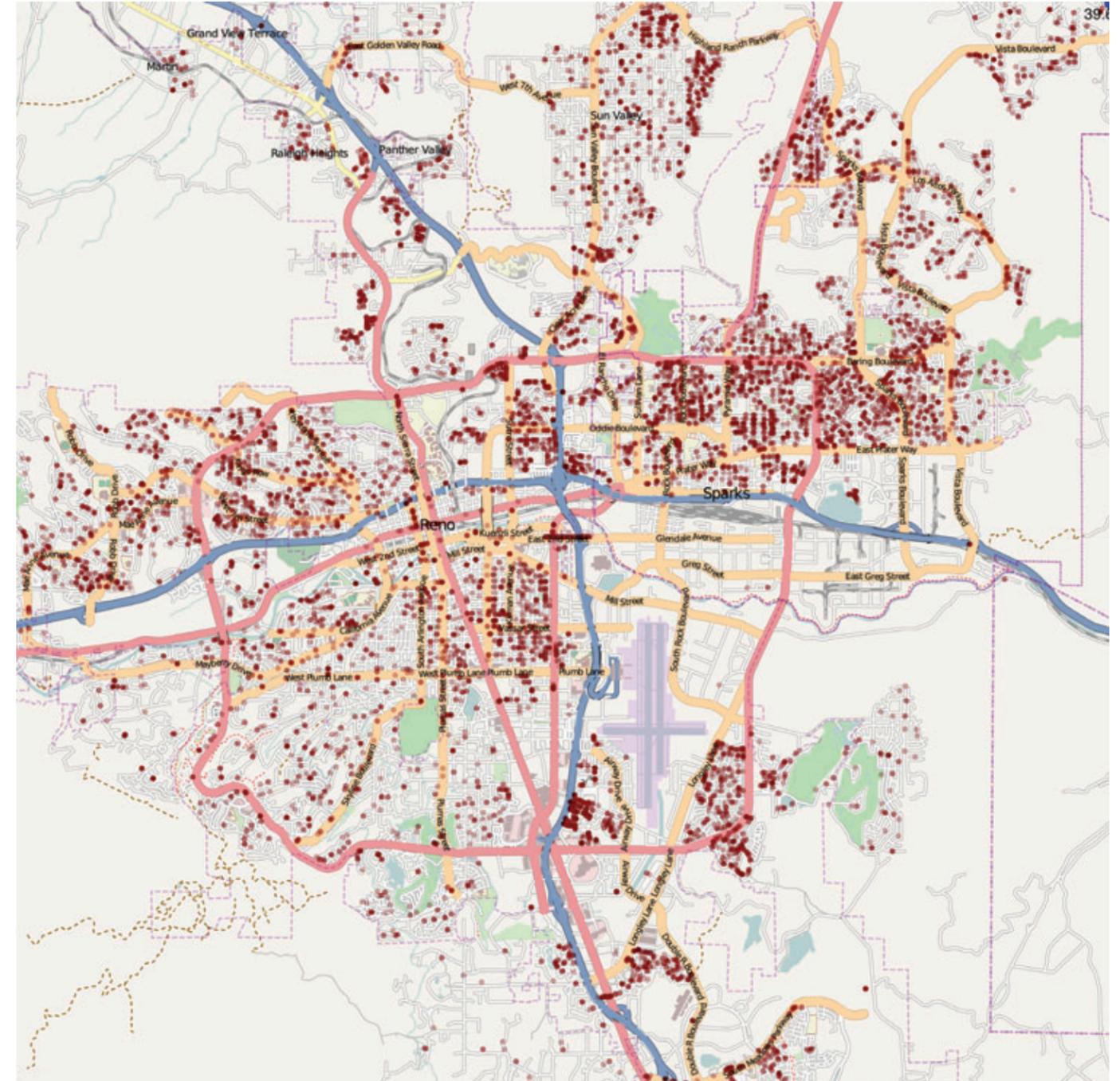
BASE.....	500
MALE .....	45%
FEMALE.....	55%

# Appendices

## North Las Vegas & Surrounding Foreclosures (Point)

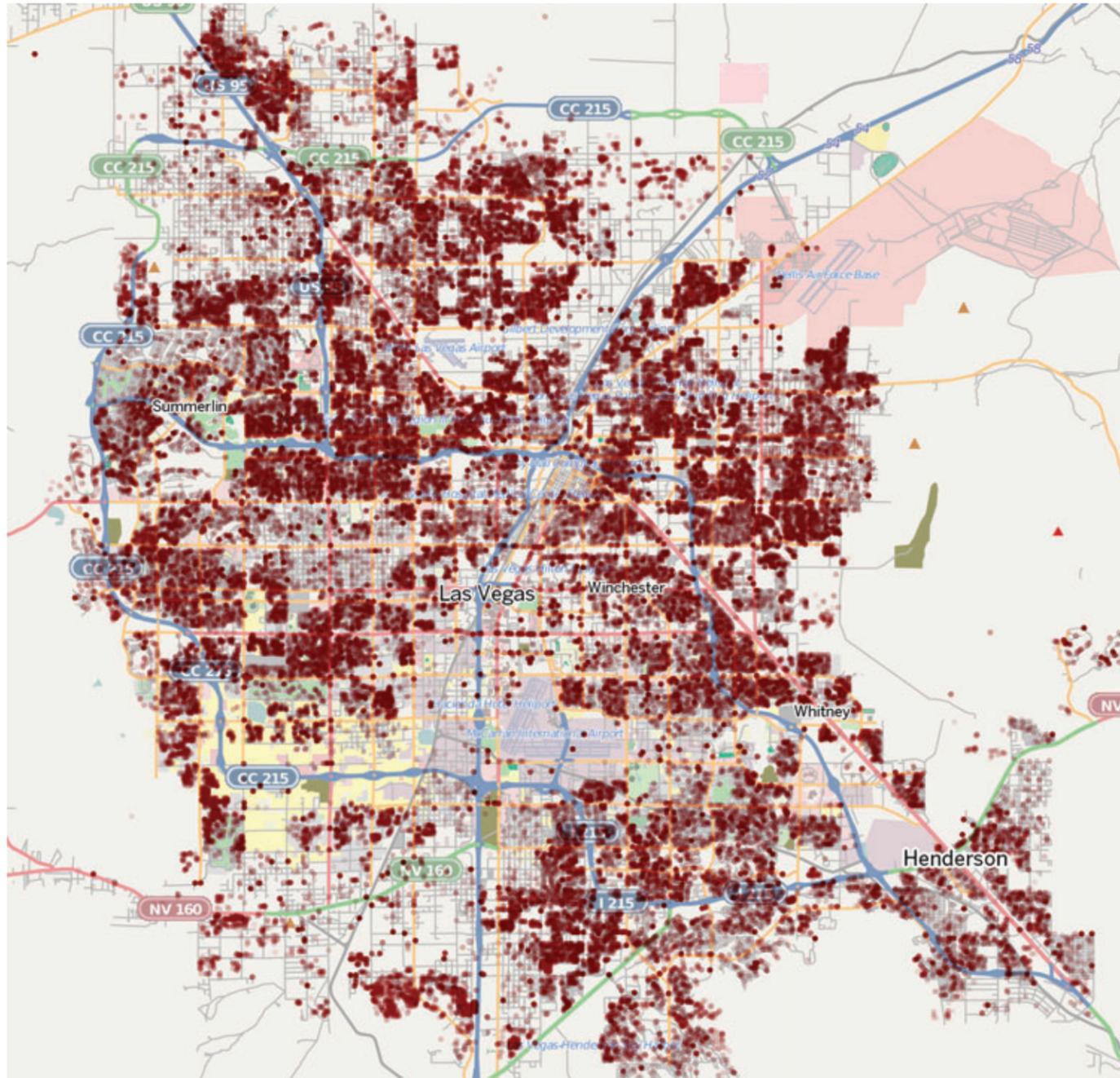


## Reno Sparks Foreclosures (Point)

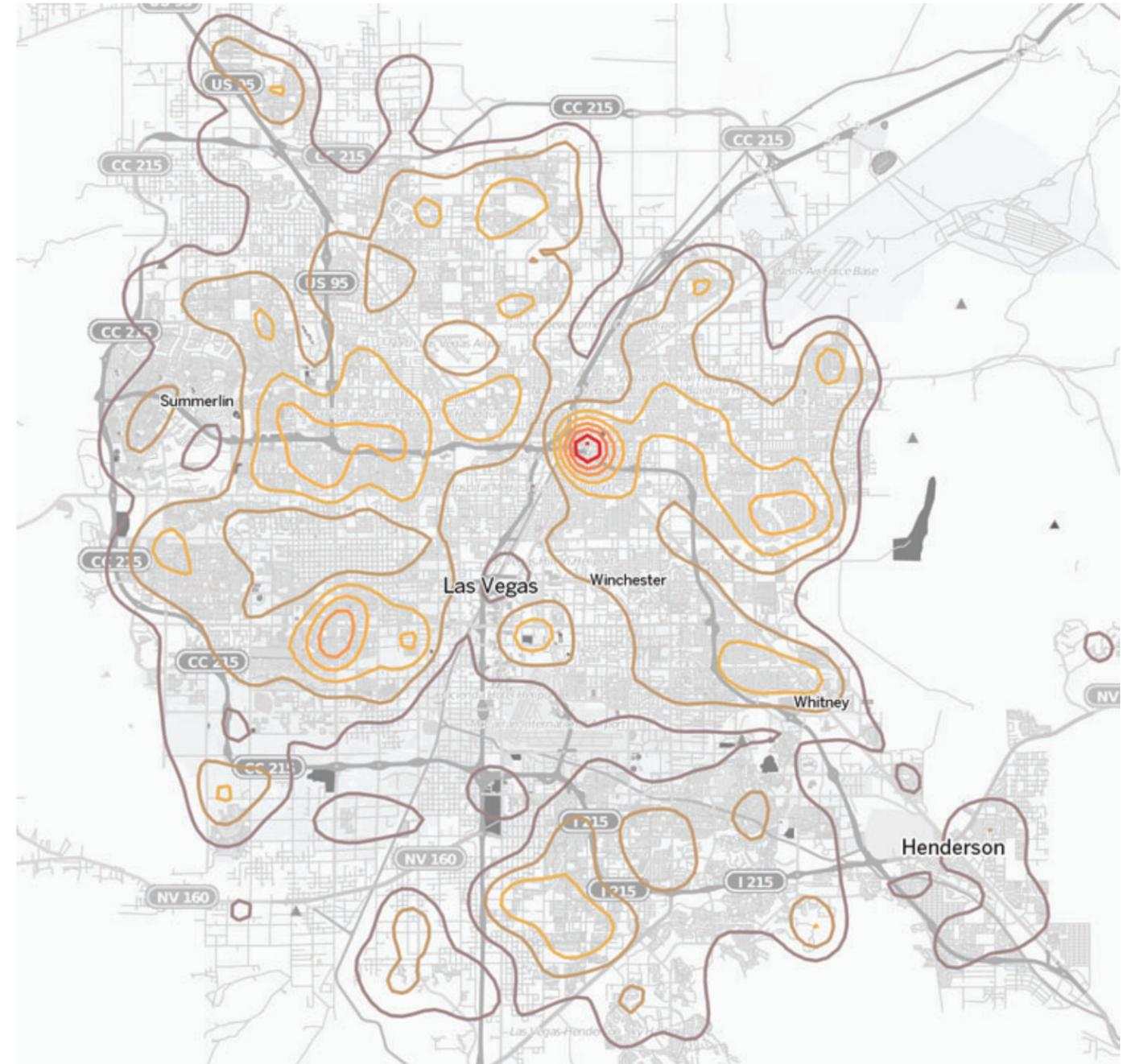


# Appendices

## Las Vegas & Henderson Foreclosures (Point)



## Las Vegas & Henderson Foreclosures (Contour)



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