

Preliminary Results of a Study of Mortgage Foreclosures in Monroe County, PA; 2000-2003



**Study Commissioned by the
Pennsylvania Department of Banking**



**Study Completed by
The Reinvestment Fund**

Description of the Study

- In January 2004, The Commonwealth of Pennsylvania Department of Banking and the Pennsylvania Housing Finance Agency hired The Reinvestment Fund (TRF) to design and execute a study of mortgage foreclosures in Monroe County.
- This study will provide the Commonwealth with a set of facts upon which it may undertake appropriate action.

Data Sources

- Foreclosure Filings from the Prothonotary of Monroe County
- Property specific sale and mortgage data
- Homeowners Emergency Mortgage Assistance Program (HEMAP) data
- U.S. Census of Population and Housing

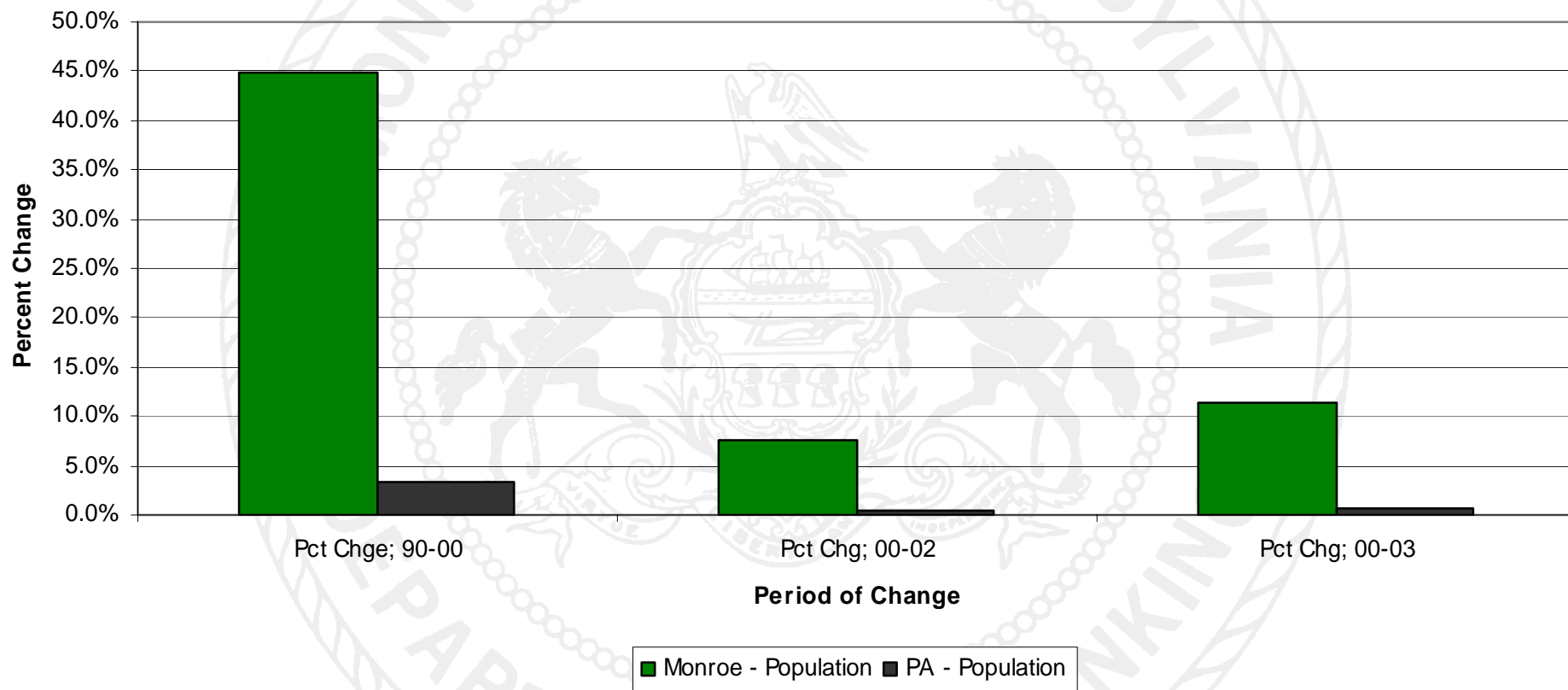
Study Status

- The Commonwealth will release its final work July, 2004.
- When released, the study will not only provide the fact-basis for Commonwealth action, but a series of affirmative steps the Commonwealth will take.

The background of the slide features a large, faint, circular seal. The seal is the official emblem of the Commonwealth of Pennsylvania Department of Banking. It consists of an outer ring with the text "COMMONWEALTH OF PENNSYLVANIA" at the top and "DEPARTMENT OF BANKING" at the bottom, separated by two small dots. Inside this ring is a smaller circle containing the coat of arms of the Commonwealth of Pennsylvania. The coat of arms depicts two horses (griffins) supporting a shield, with an eagle perched atop the shield. A banner at the bottom of the shield reads "VIRGILIO LIBERTY AND INDEPENDENCE".

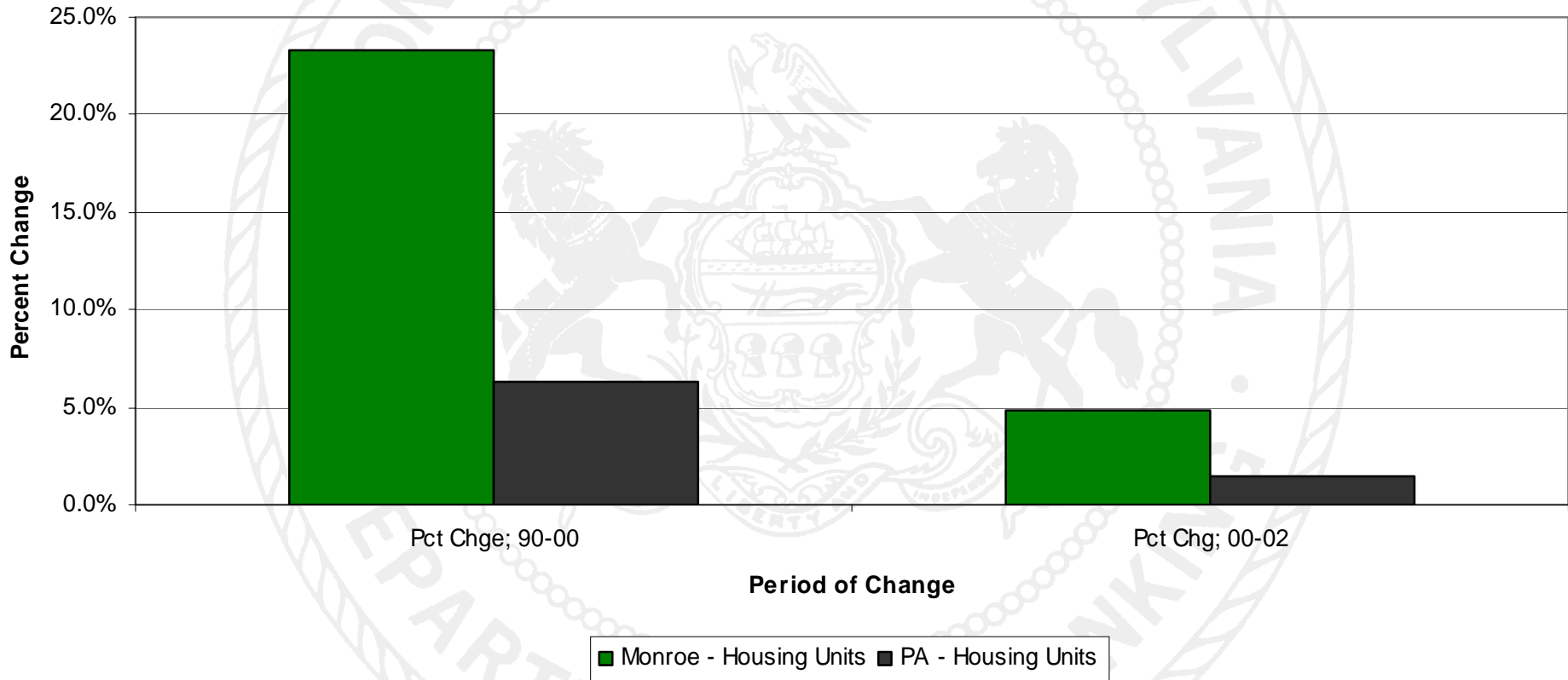
Preliminary Findings

Percent Change in Pennsylvania and Monroe County Population; 1990-2003



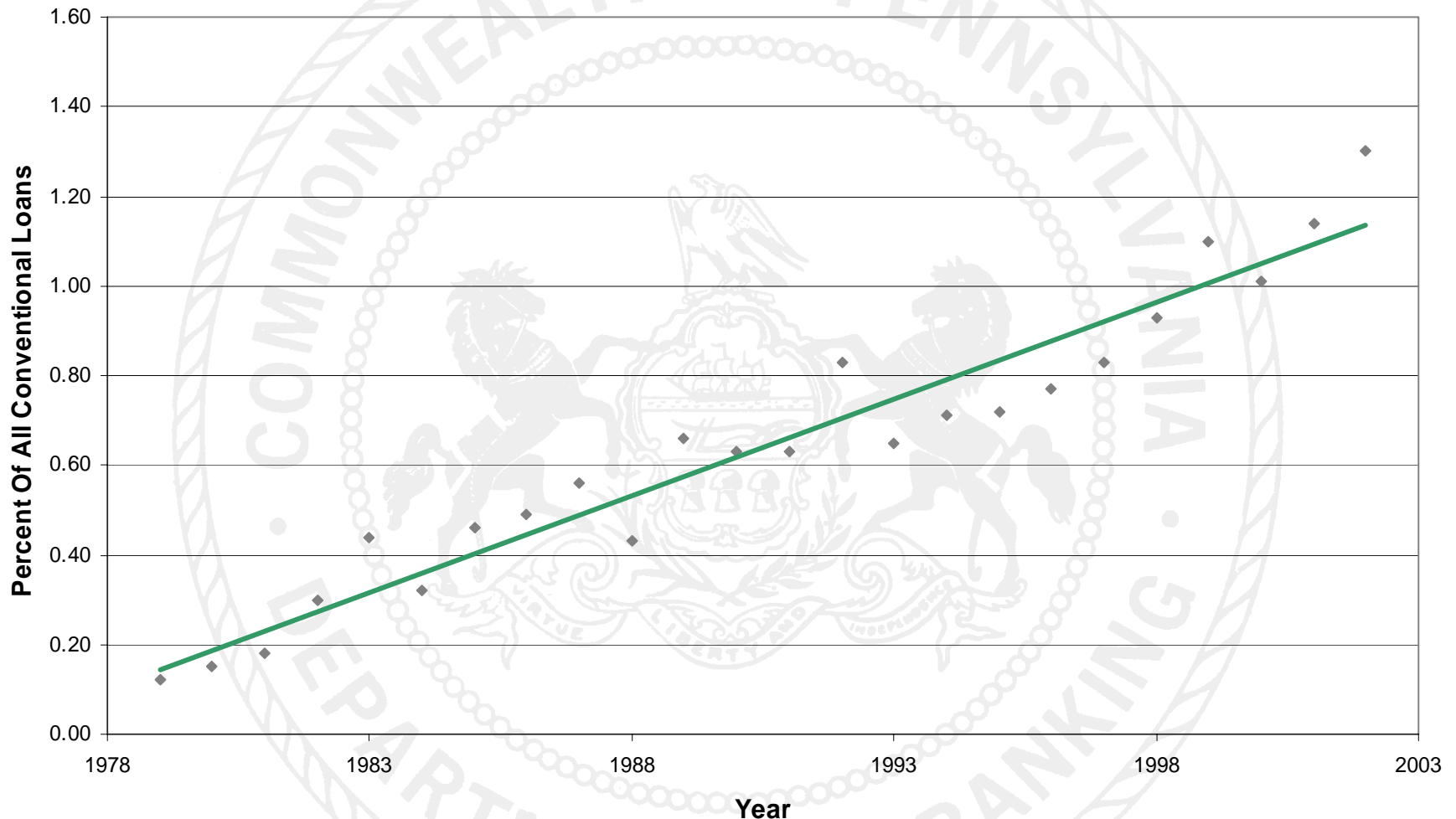
Pennsylvania is a relatively slow growth state increasing its population by 3.4% between 1990 and 2000. Monroe County is the 2nd fastest growing county in Pennsylvania increasing its population by almost 45% between 1990 and 2000 and by another 11% (estimated) by 2003.

Percent Change in Pennsylvania and Monroe County Housing Units; 1990-2002



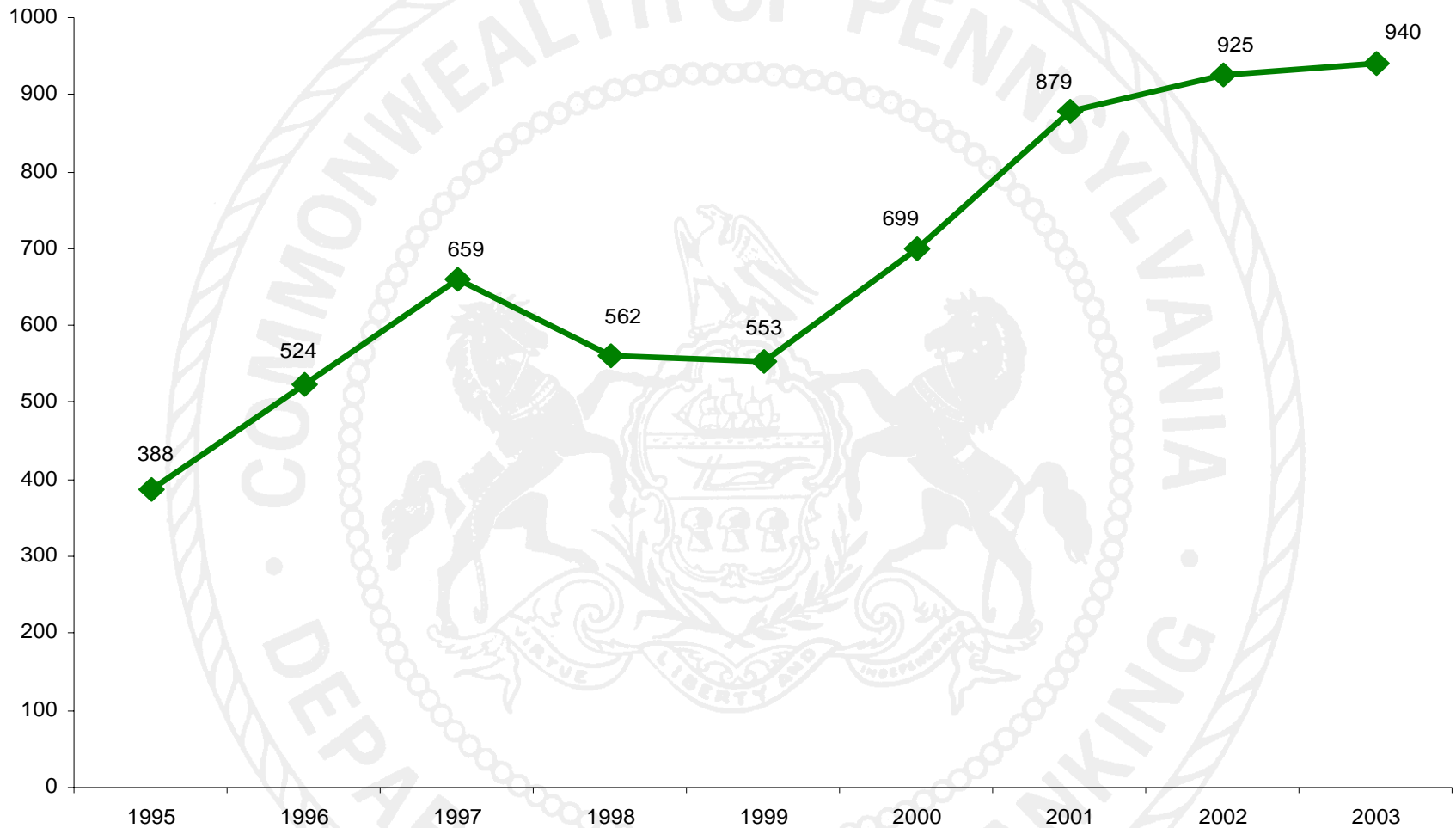
Consistent with its strong population growth in Monroe County, the number of housing units grew by almost 25% between 1990 and 2000 and by another 5% by 2002.

Percent Of All Conventional Loans In Foreclosure At The End Of The Quarter; Pennsylvania, 1979-2002



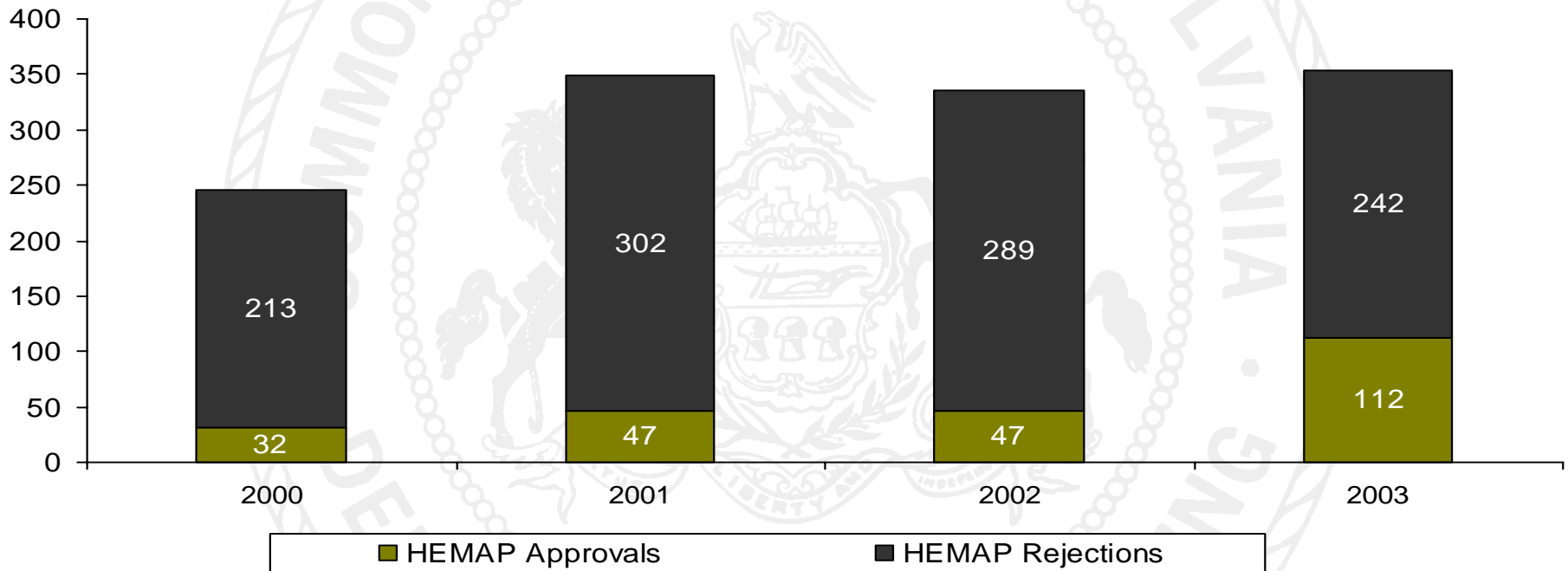
Pennsylvania's foreclosure rate for conventional loans, as reported by The Mortgage Bankers Association of America, has risen by approximately 50% since 2000. While FHA and VA loans are not reflected in these data, the subprime rate of foreclosure stands orders of magnitude above the prime rate.

Foreclosure Filings in Monroe County, 1995-2003



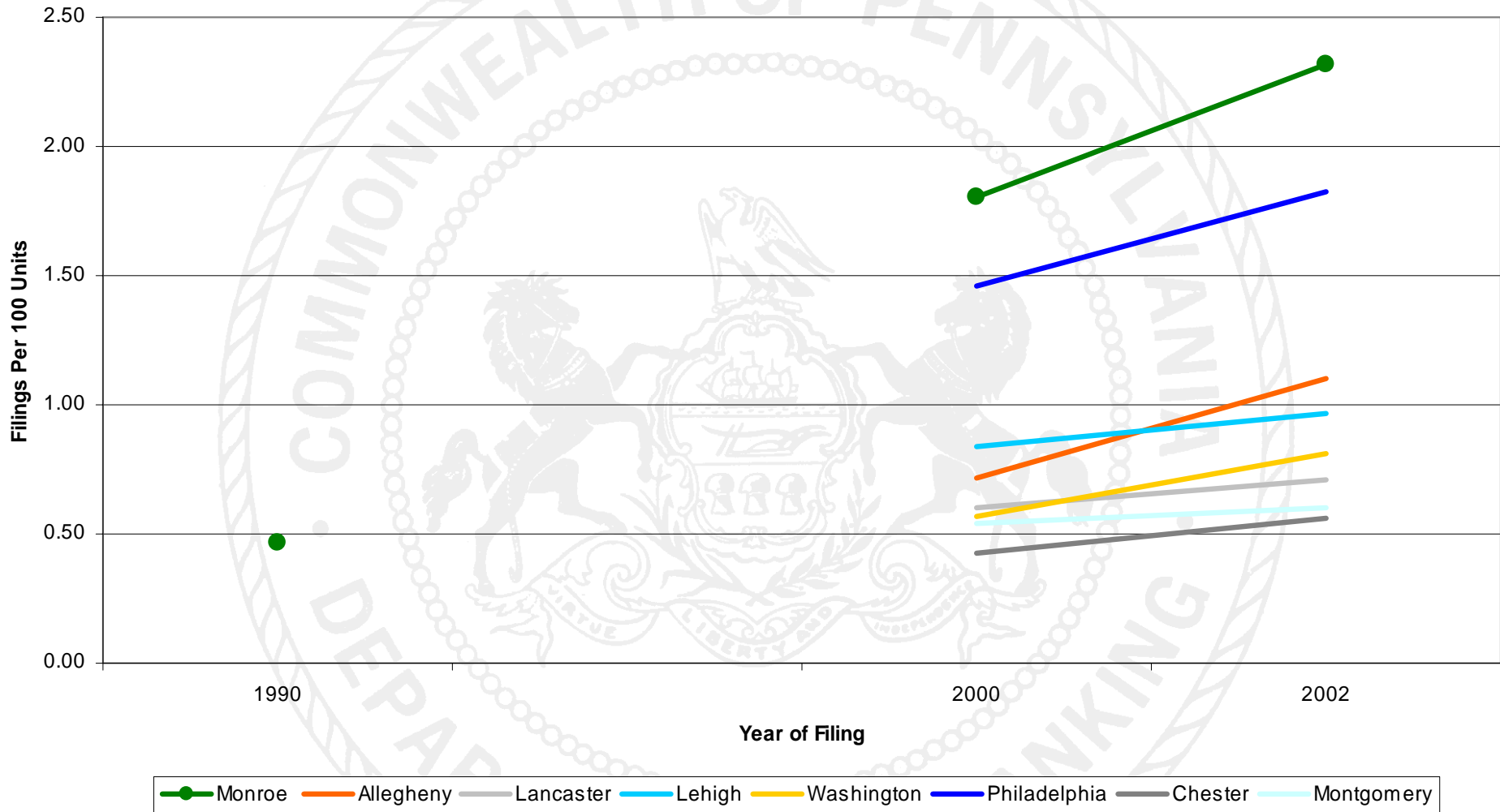
The annual number of mortgage foreclosure filings in Monroe County rose from approximately 388 in 1995 to 940 in 2003. Cumulatively over that time period, more than 6,100 households were subject to foreclosure; more than 2,700 since 2000.

Number of Applications, Approvals and Rejections to the Commonwealth of Pennsylvania's Homeowners Emergency Mortgage Assistance (HEMAP) Program, 2000-2003



But for the assistance provided to homeowners by the State's HEMAP program, another 318 families might have been subject to foreclosure.

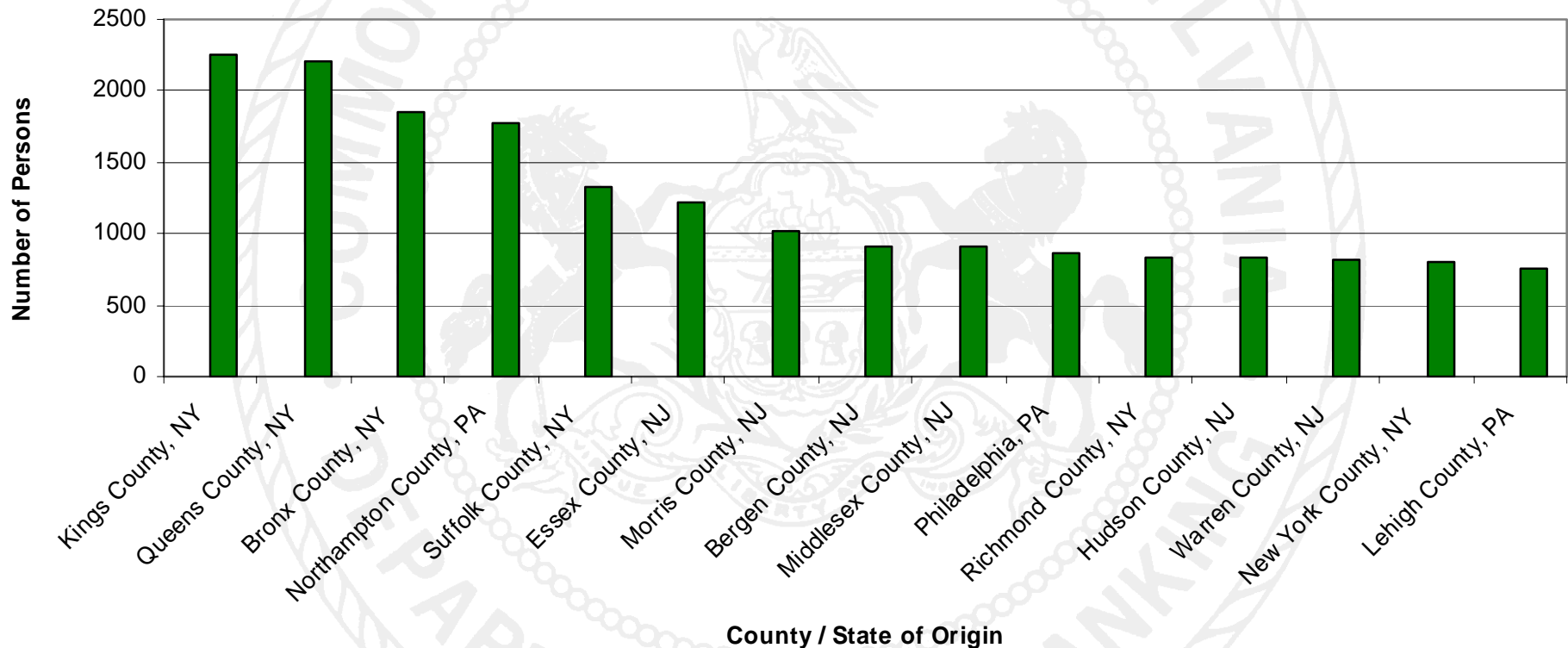
Foreclosure Filings Per 100 Owner Occupied Housing Units



With all of the population and housing unit growth in Monroe County, might we not expect a rise in the number of foreclosures? Is the rise proportionate to the growth in units? NO.

Is the growth in foreclosures in Monroe County inconsistent with other parts of the Commonwealth? Yes, both in terms of the number of foreclosures and the rate of increase.

County / State of Origin for Persons Migrating to Monroe County, 1995-2000
[Counties from which 750 or more people migrated]



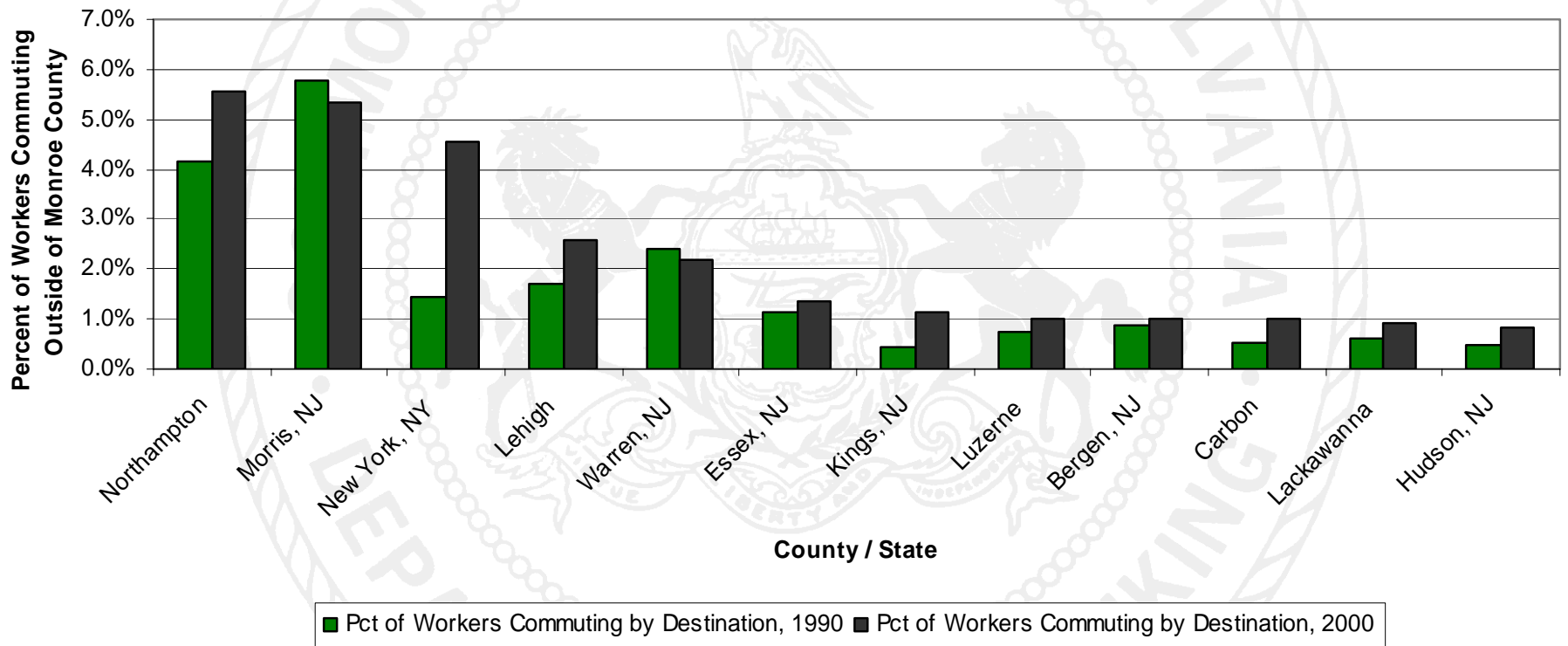
Population growth in Monroe County is largely fueled by domestic migration. Monroe County has become the home to tens-of- thousands of households from NY and NJ since 1995.

Comparison of New Migrants to Existing Monroe County Residents

In comparison to previously existing Monroe County residents, new migrants from New York (*19.1% of households migrating between 1995-2000*) and New Jersey (*15.7% of households migrating between 1995 and 2000*) are more likely to be:

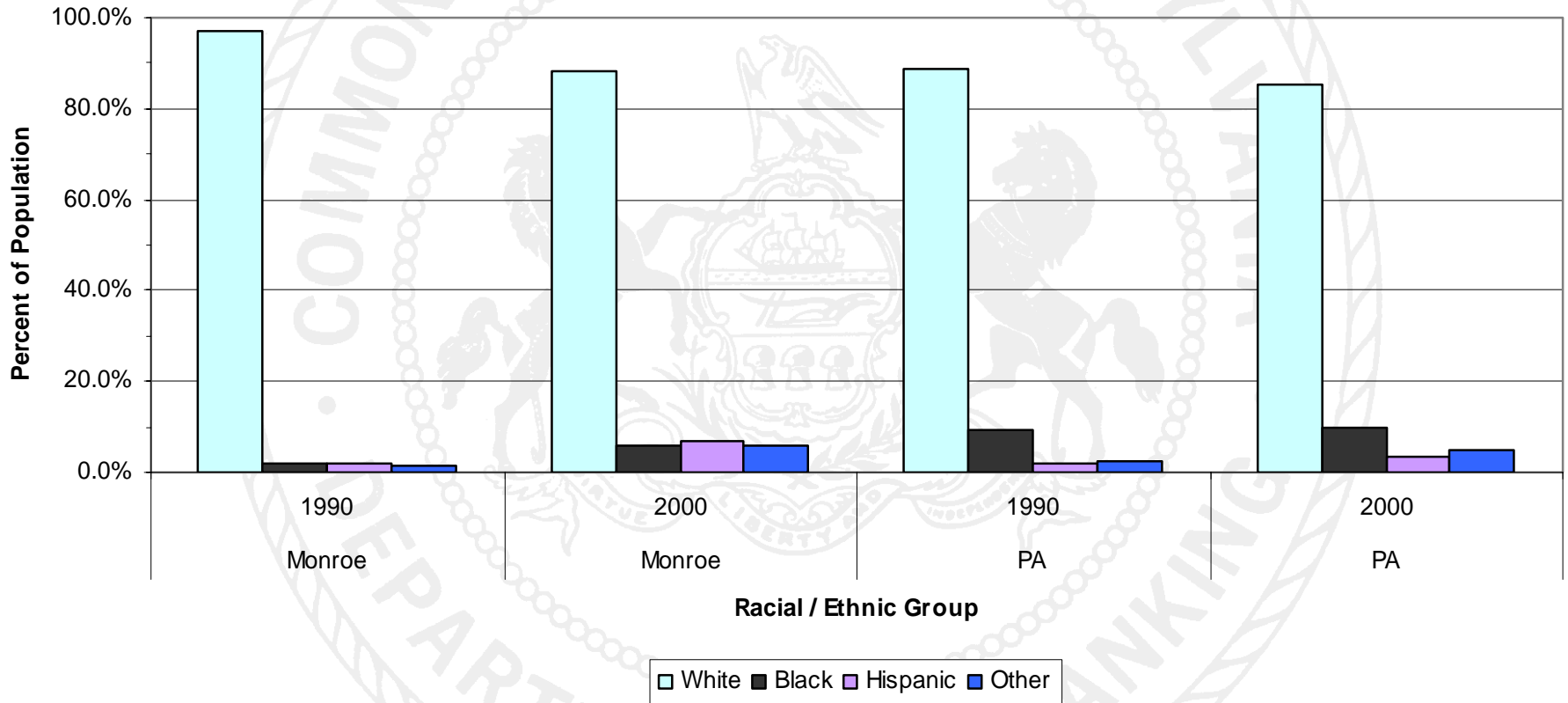
- Married
- With children
- Higher income
- Residents of newer construction housing
- Black and Hispanic

Percent of Monroe County Workers Commuting to Jobs Outside of Monroe County by Destination, 1990-2000



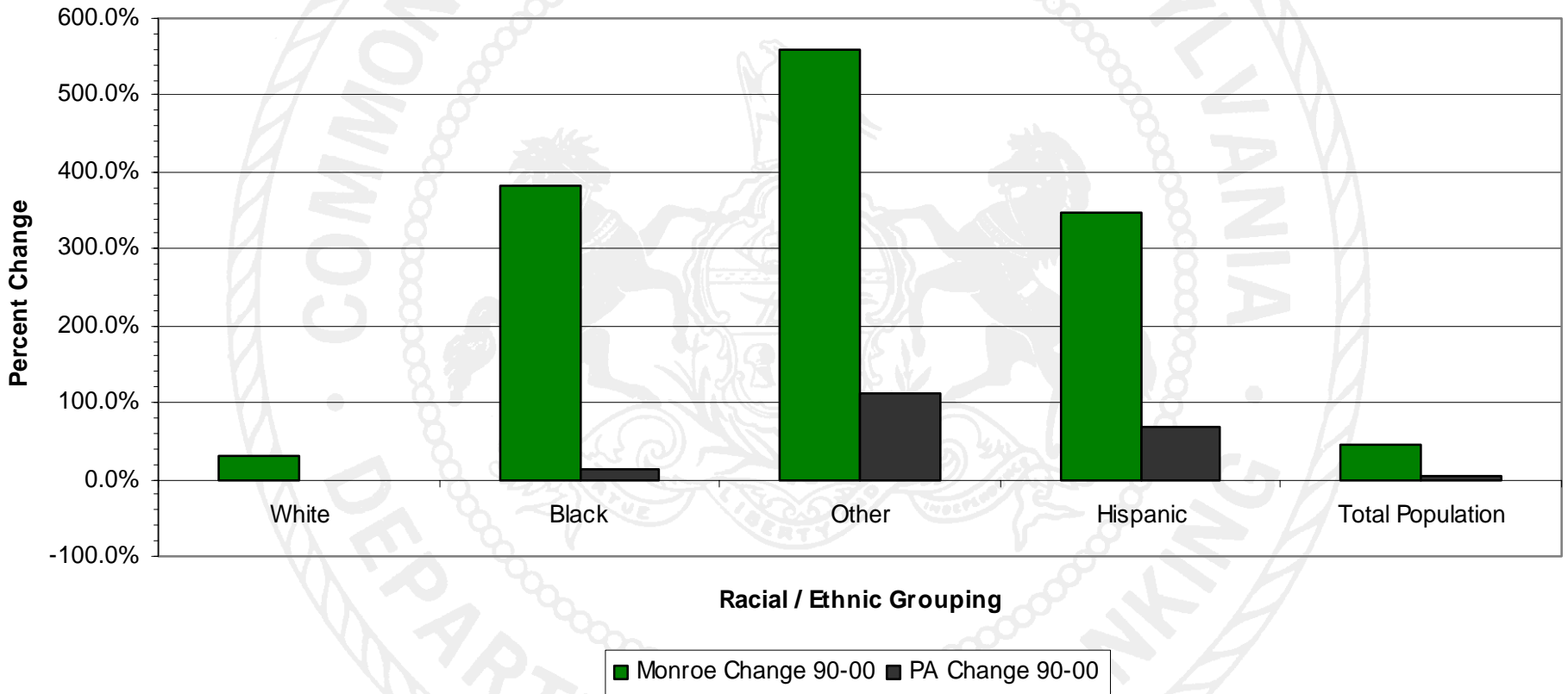
While many households moved to Monroe County for all of the benefits it offers (e.g., quality schools, an opportunity to become a homeowner, safety, etc.), many continued to commute more than four hours per day back to NY and NJ for work.

Change in Racial / Ethnic Composition for Pennsylvania and Monroe County, 1990-2000



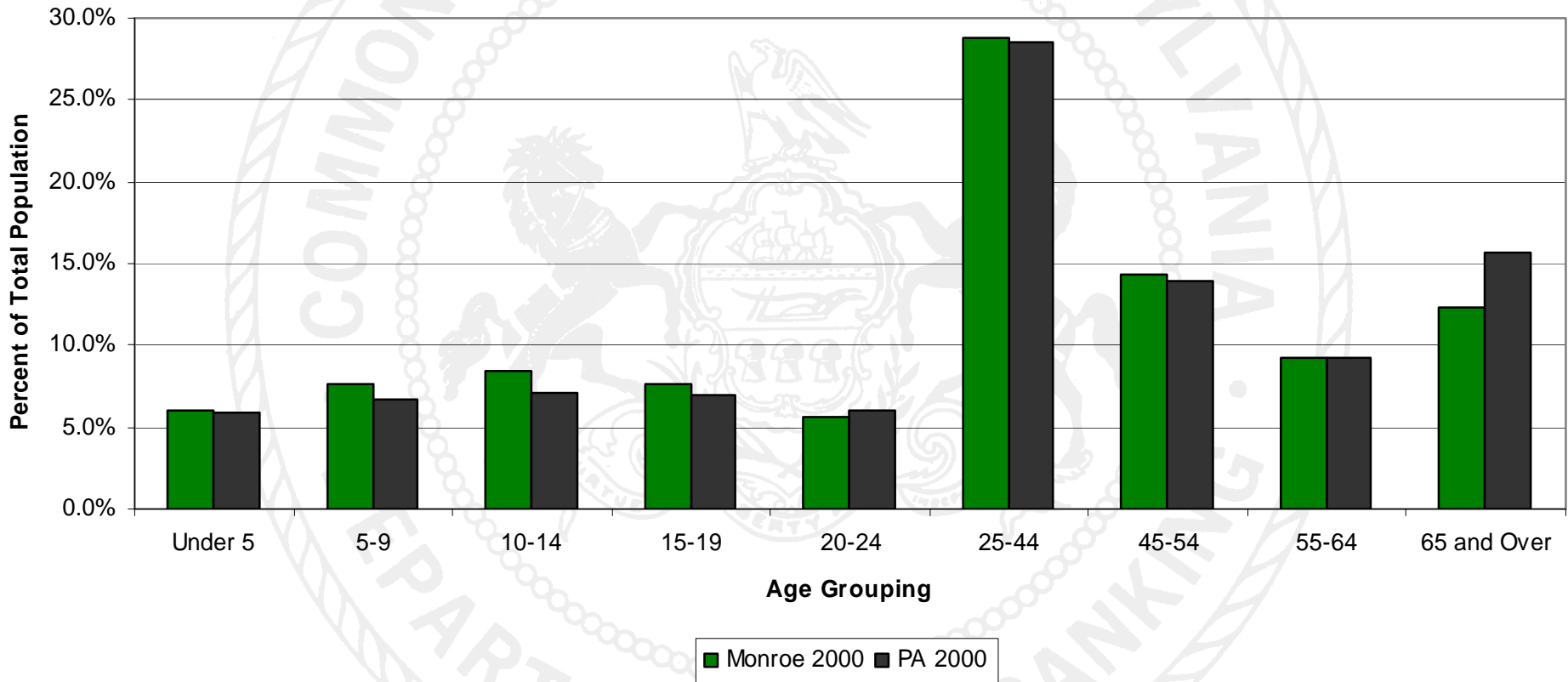
The racial composition of Monroe county, like that of the Commonwealth, reflects a greater racial and ethnic diversity since 1990.

Percent Change in the Size of Racial / Ethnic Groupings; 1990-2000



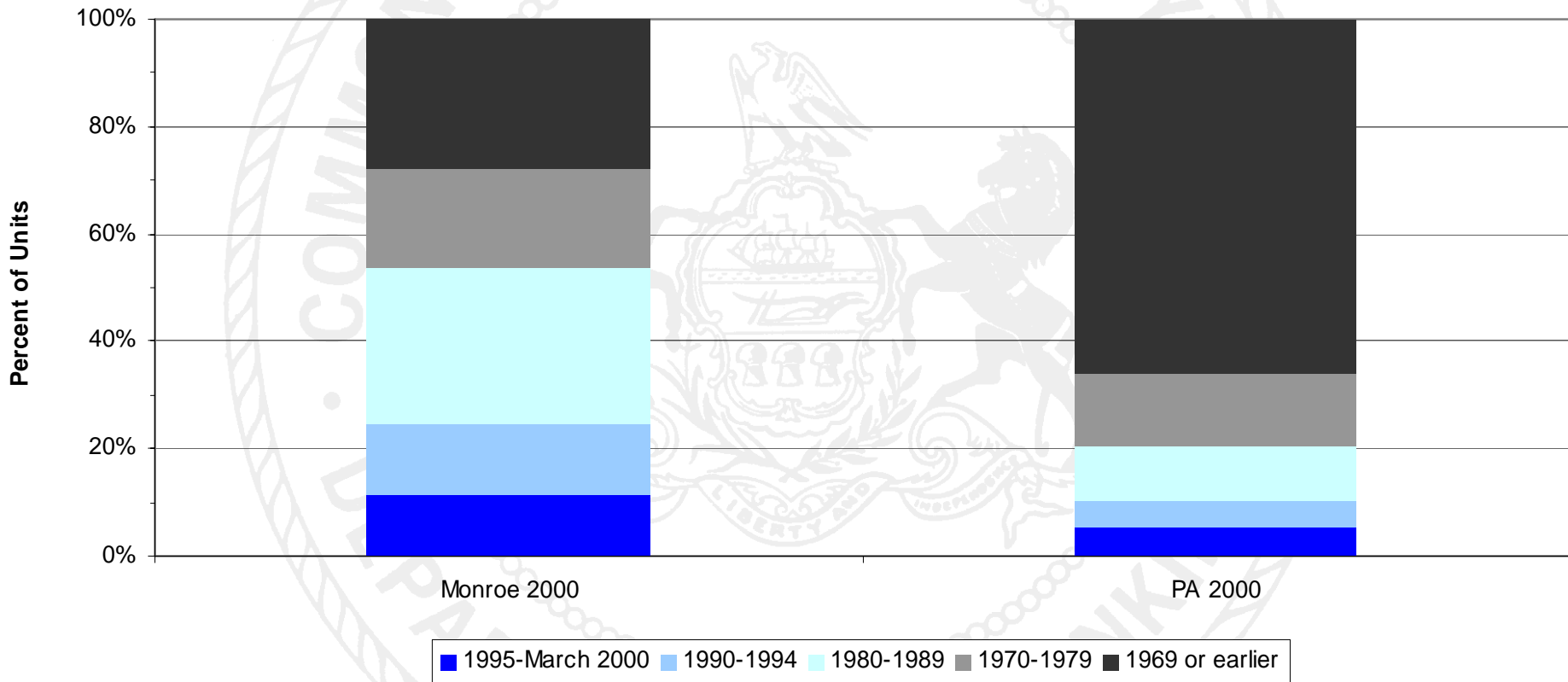
Monroe County's diversity is fueled by triple-digit growth in the minority population coupled with slower growth in the White population.

Distribution of Age Groupings for Pennsylvania and Monroe County, 2000



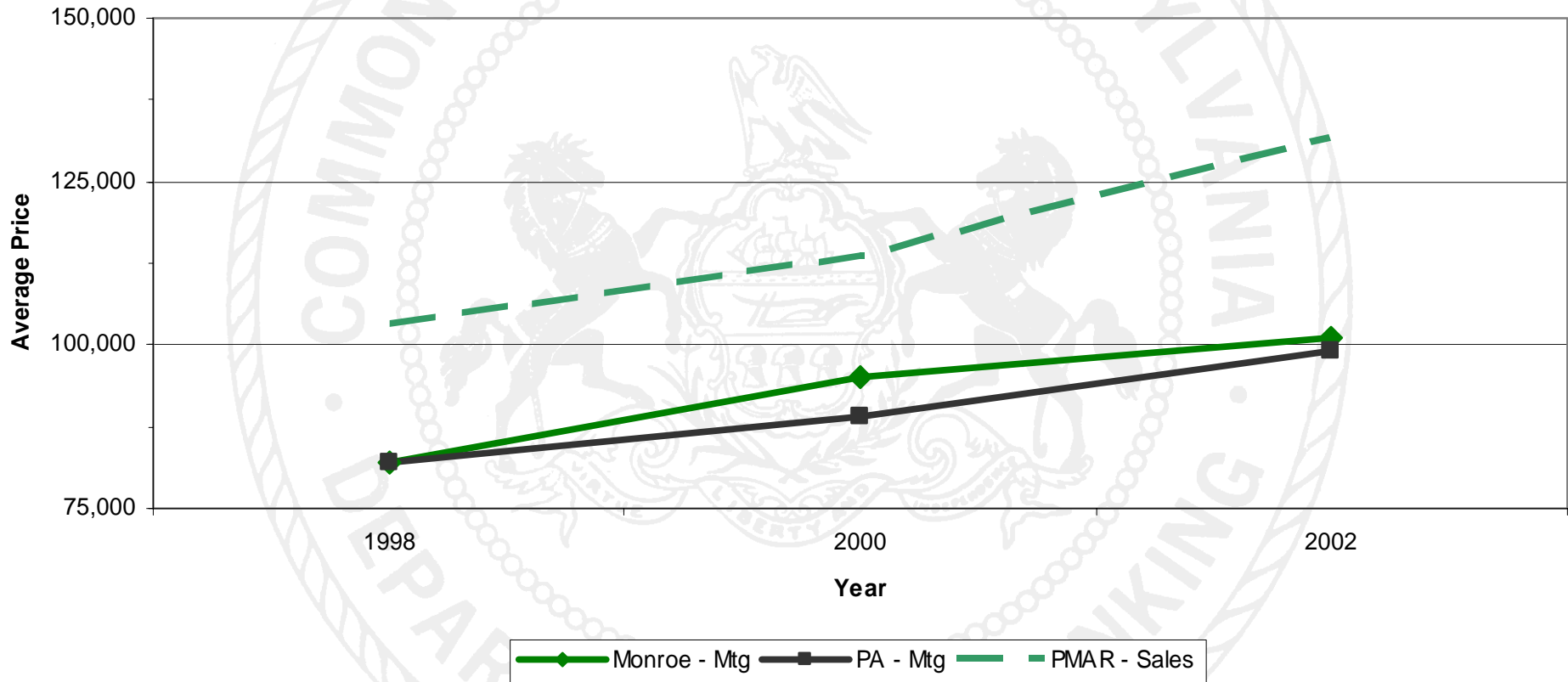
While Pennsylvania is aging quickly and is now one of the oldest states in the United States, Monroe County has seen growth among school-aged children and those aged 25-54.

Distribution of Housing by Period of Construction for Pennsylvania and Monroe County, 2000



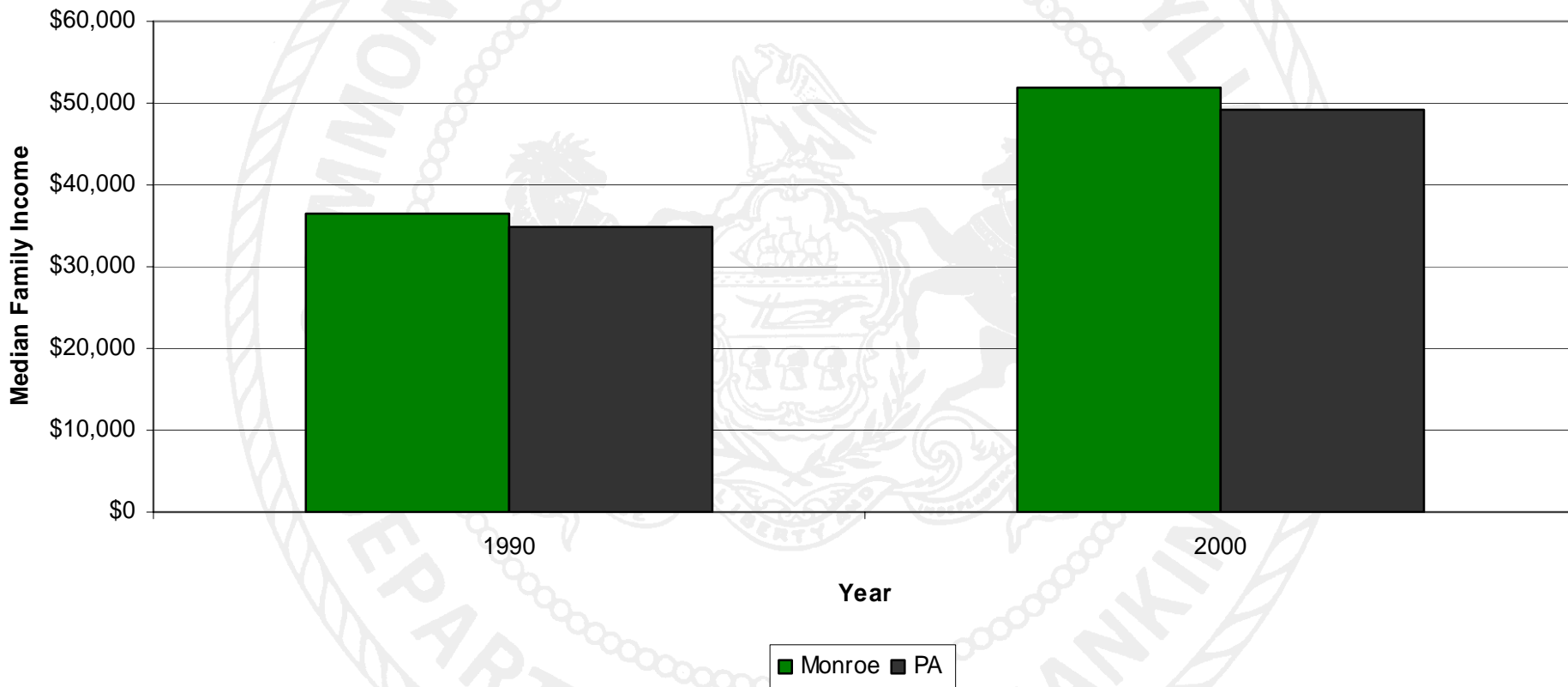
Compared to Pennsylvania, a substantially greater share of the housing in Monroe County was built in the 80s and 90s.

Average Mortgage Amount and Sale Prices for Pennsylvania and Monroe County, 1998-2002

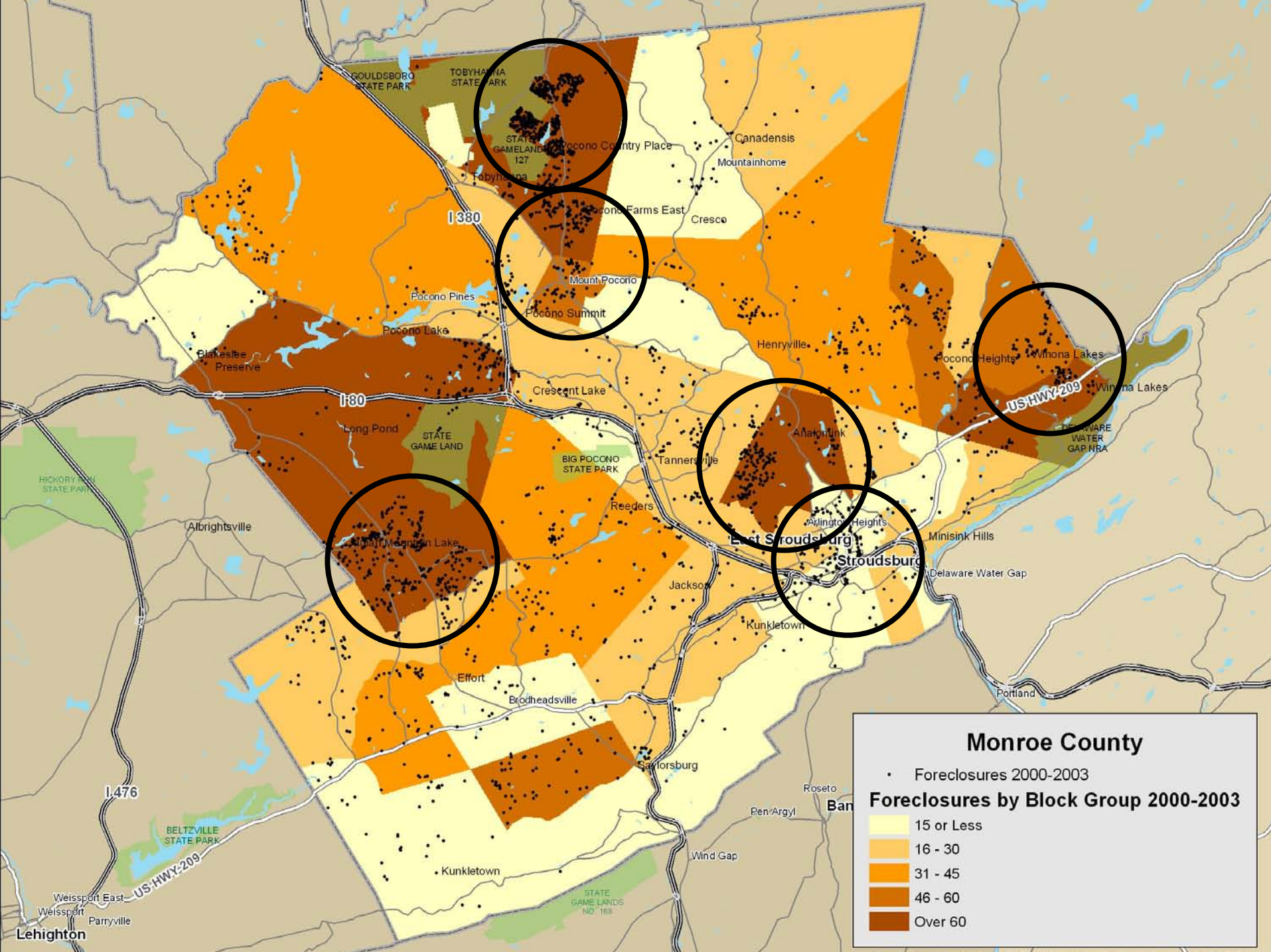


Home prices in the Commonwealth and in Monroe County have risen in real (inflation-adjusted) terms, although prices in Monroe County now exceed the Commonwealth average.

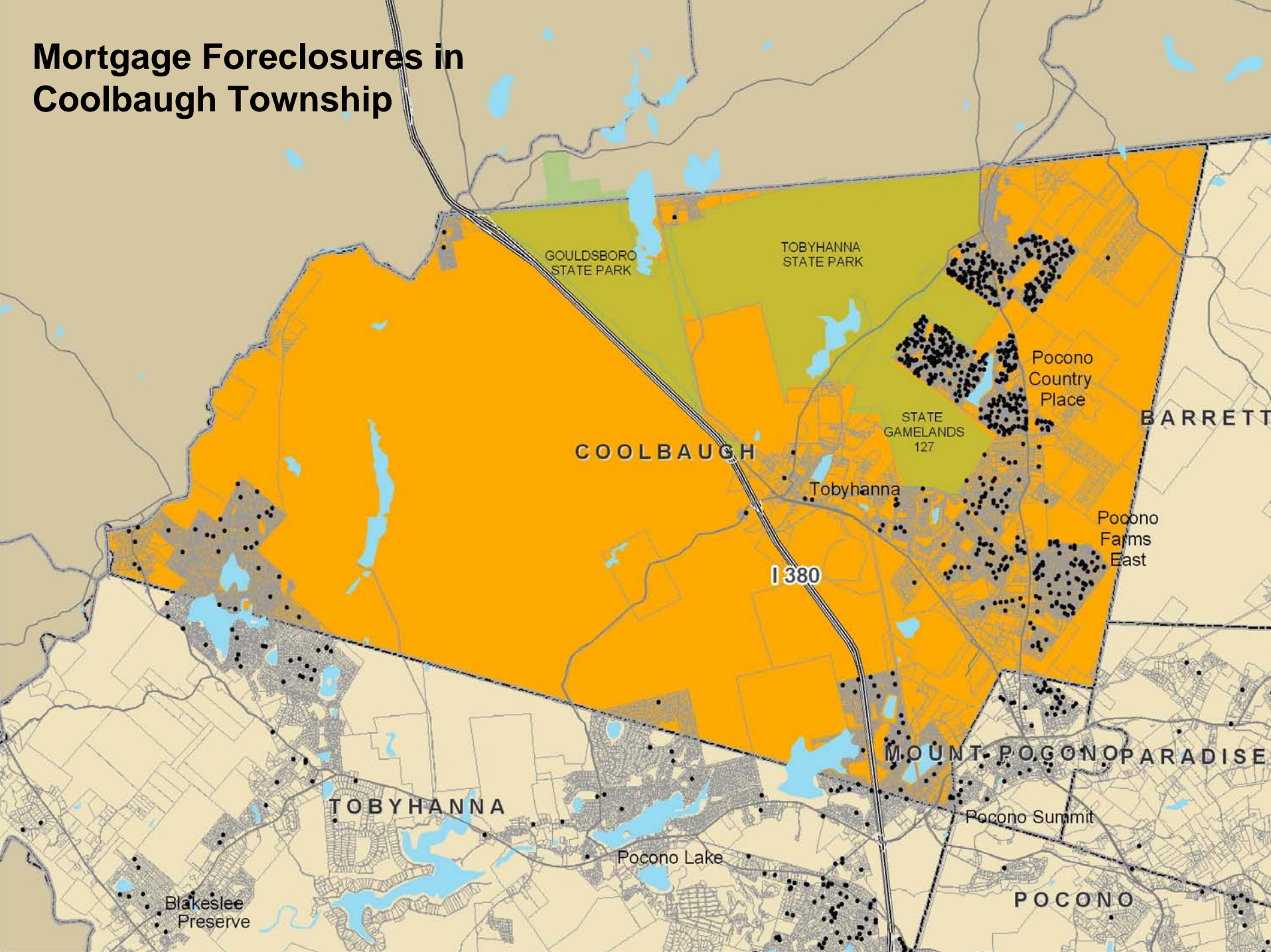
Median Family Income for Pennsylvania and Monroe County, 1990-2000



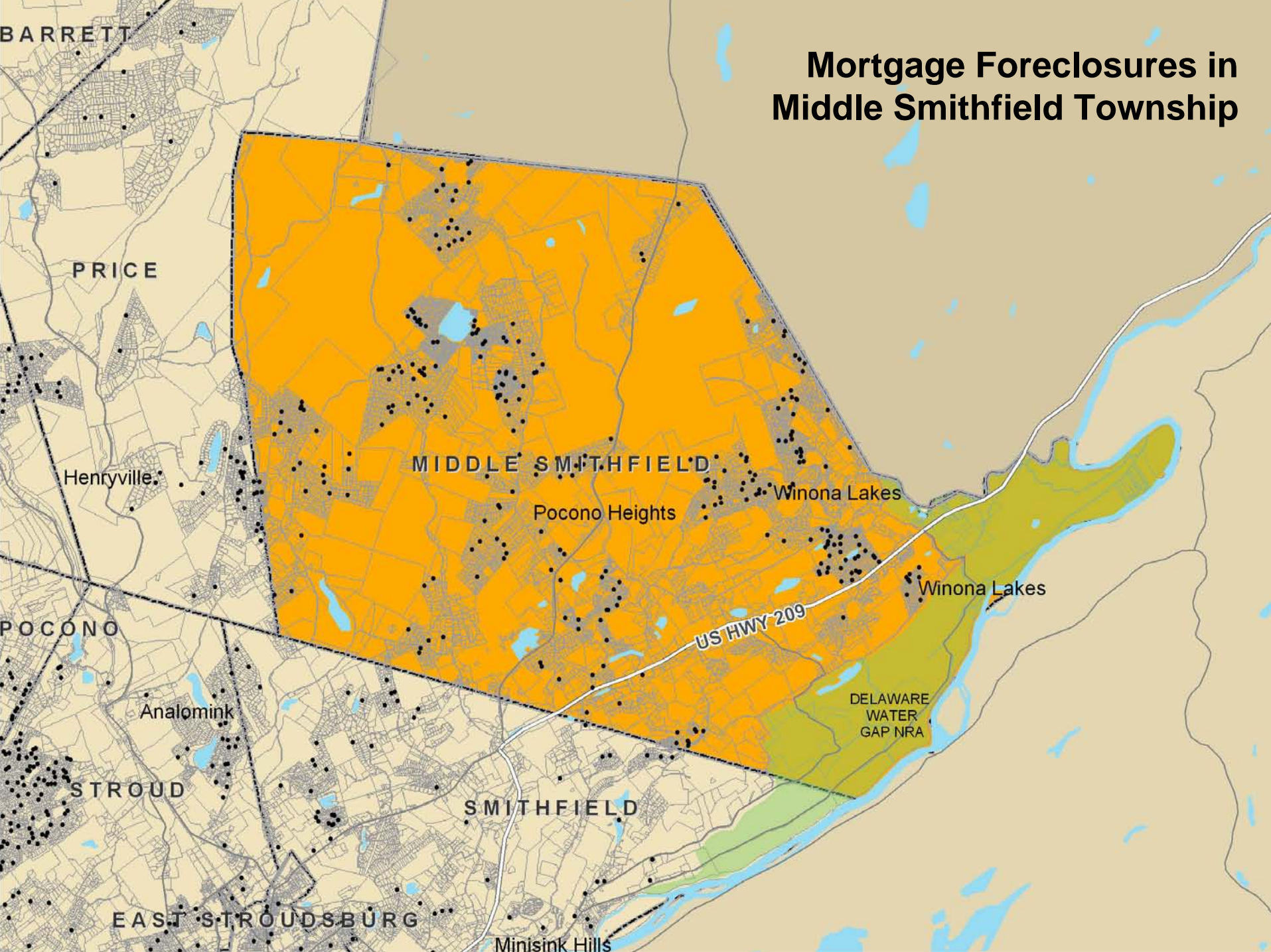
Median family income is higher in Monroe County than it is across the Commonwealth and it rose more quickly in real (inflation-adjusted) terms.

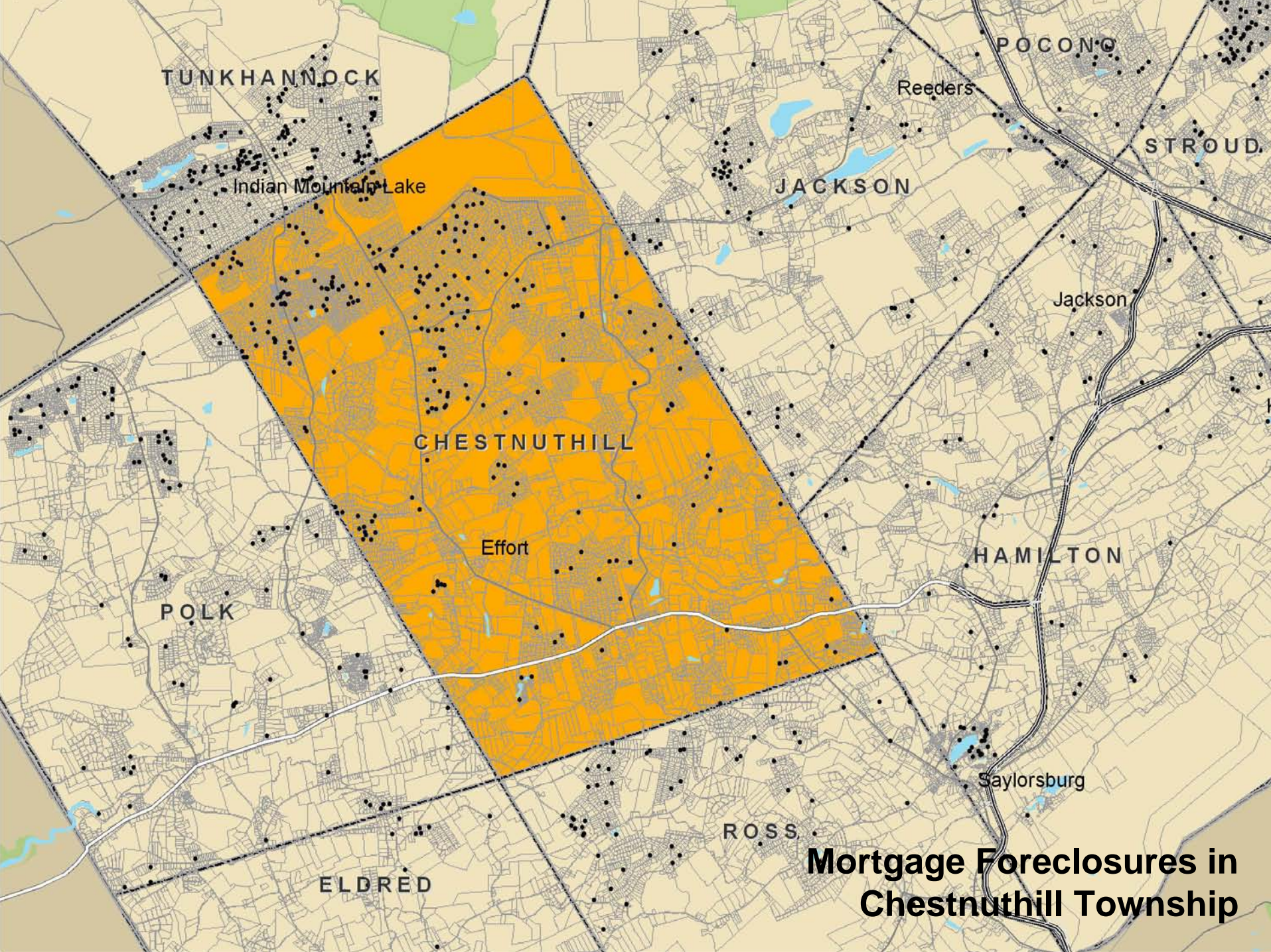


Mortgage Foreclosures in Coolbaugh Township



Mortgage Foreclosures in Middle Smithfield Township





TUNKHANNOCK

Indian Mountain Lake

POCONO

Reeder's

STROUD

JACKSON

Jackson

CHESTNUTHILL

Effort

POLK

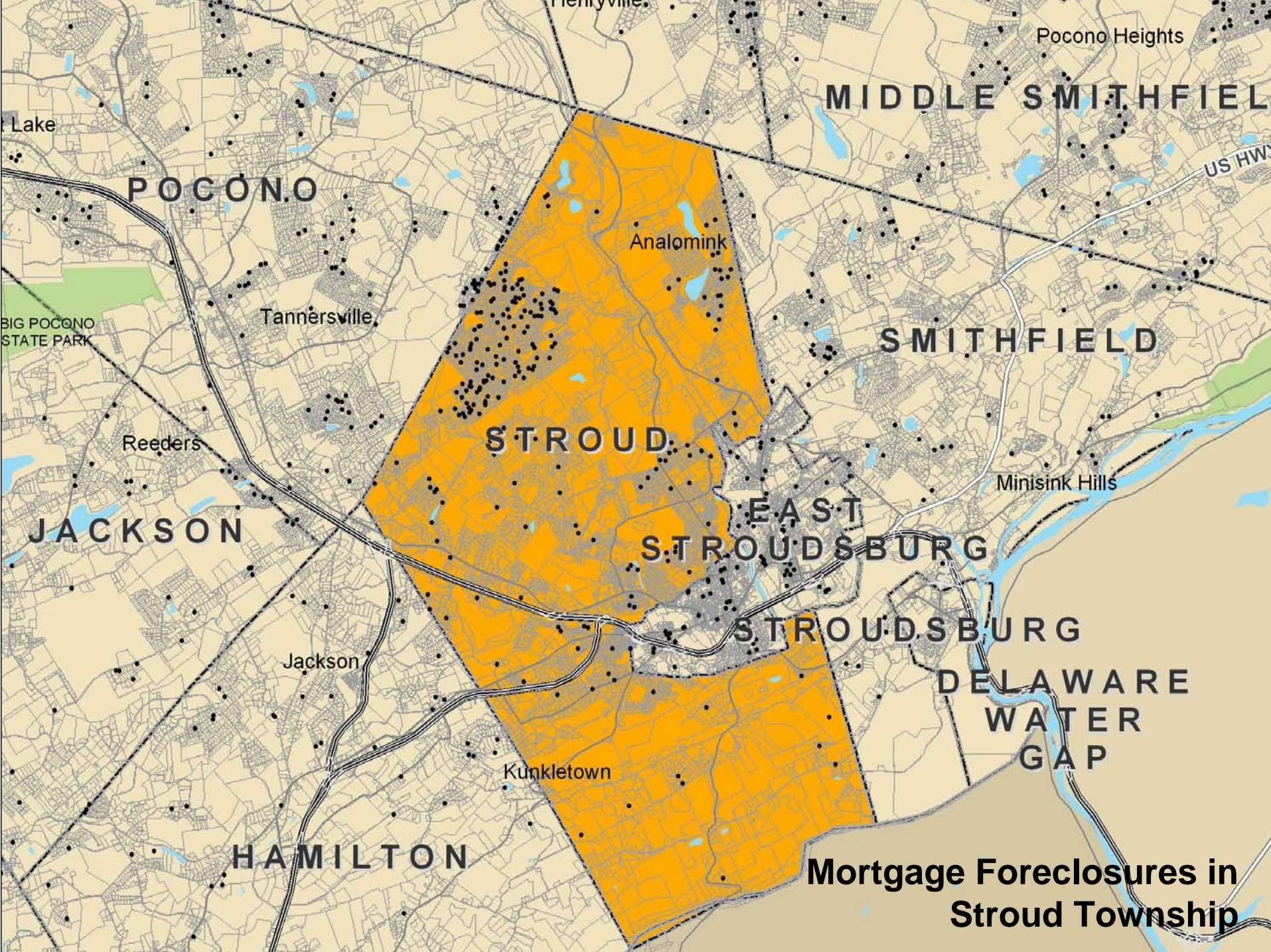
HAMILTON

Saylor'sburg

ROSS

ELDRED

**Mortgage Foreclosures in
Chestnuthill Township**



Pocono Heights

MIDDLE SMITHFIELD

US HWY 209

POCONO

Lake

BIG POCONO
STATE PARK

Tannersville

Analomink

SMITHFIELD

Reeder's

JACKSON

STROUD

Minisink Hills

EAST
STROUDSBURG

Jackson

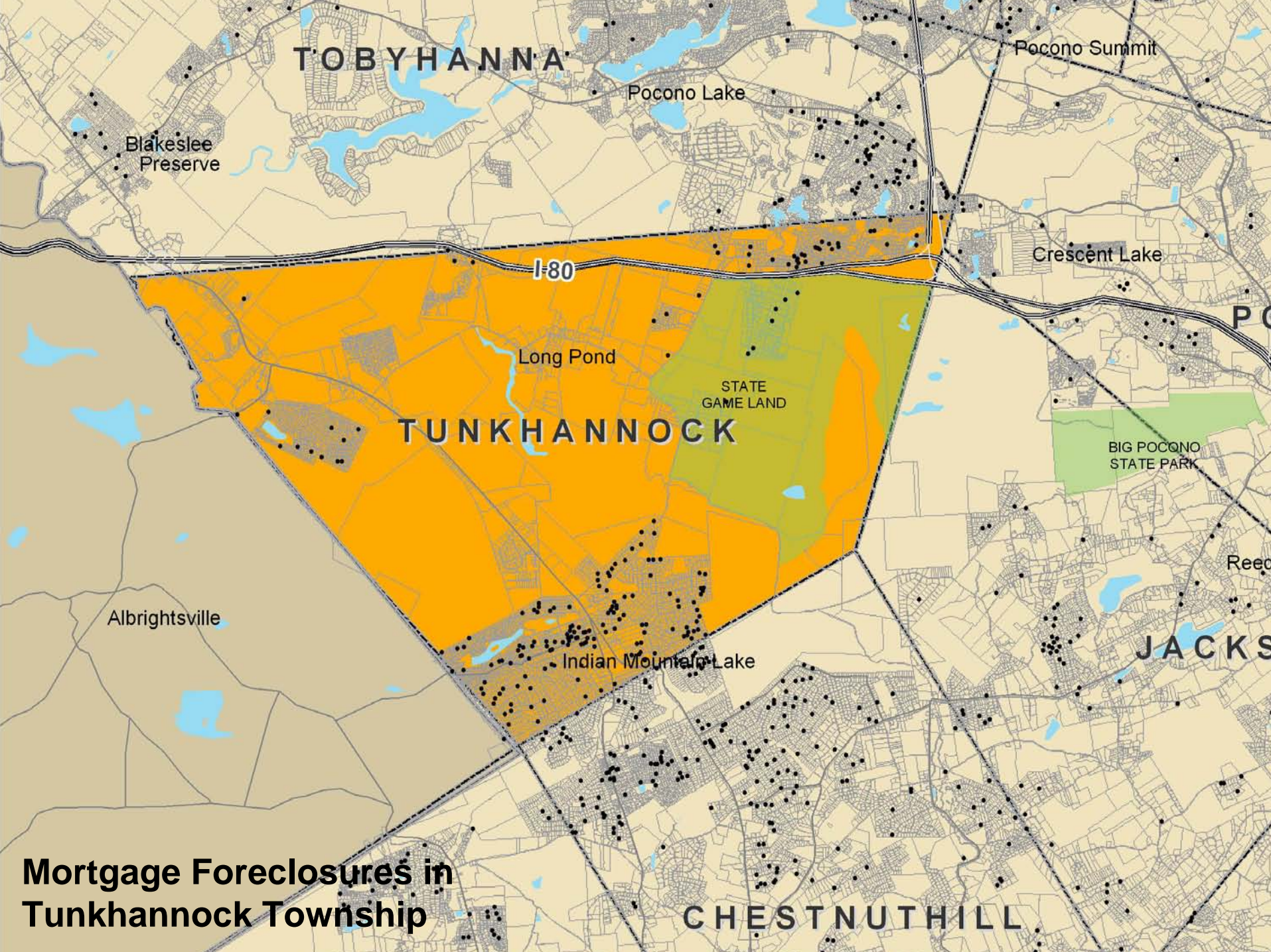
STROUDSBURG

DELAWARE
WATER
GAP

Kunkletown

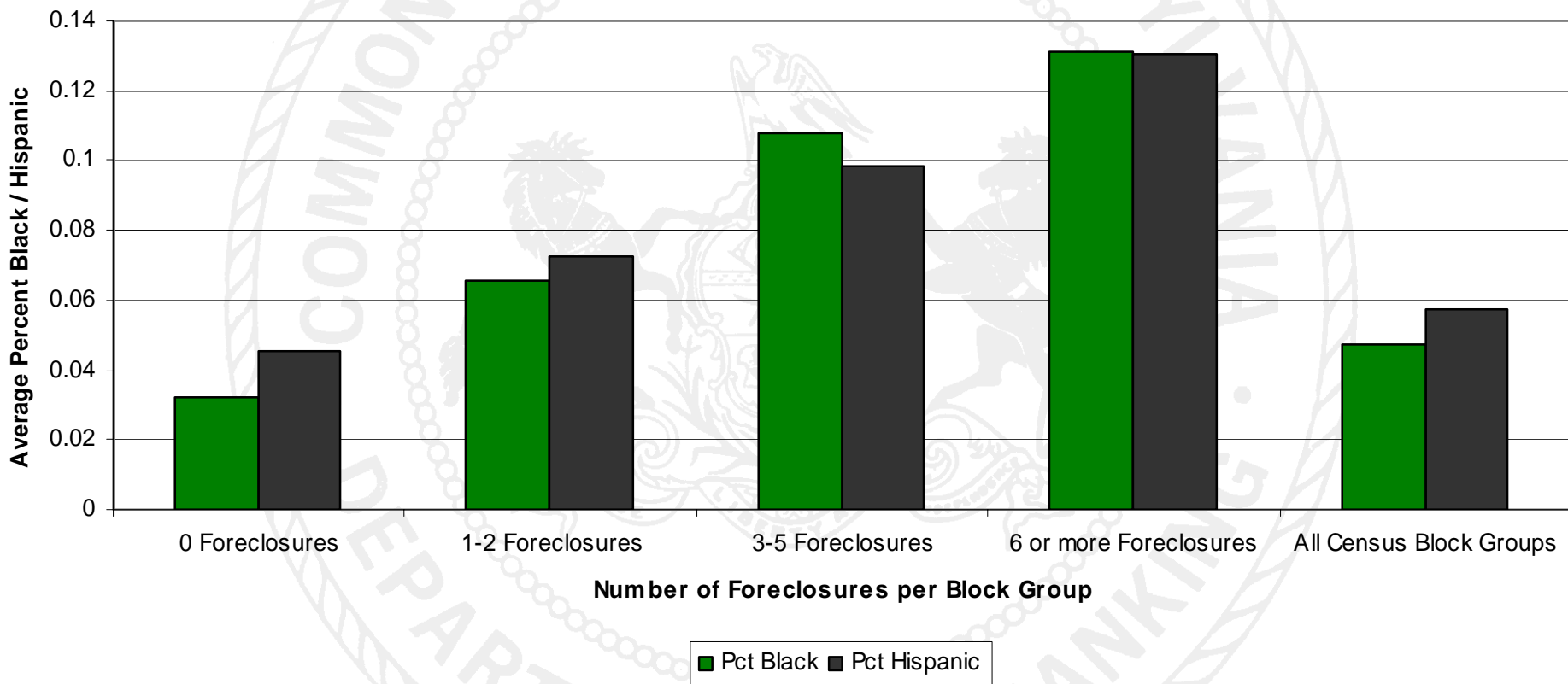
HAMILTON

**Mortgage Foreclosures in
Stroud Township**



**Mortgage Foreclosures in
Tunkhannock Township**

Average Percents Black and Hispanic in Monroe County Block Groups with Foreclosures



The greatest concentrations of mortgage foreclosures occur in Census block groups with higher percentages of African Americans and Hispanics.

Plans Going Forward

- The Department of Banking will release this study on or before July 31, 2004.
- When The Department of Banking releases the study, simultaneously it will announce a set of action steps – based on the facts uncovered in this study – designed to address the current problem and to make it unlikely that this kind of problem will occur again.
- During the Fall of 2004, TRF will complete its work for The Department of Banking on a statewide study of mortgage foreclosures. This study will form the basis for a set of systemic (i.e., legislative, policy and programmatic) changes in Pennsylvania.