

THE STATE OF FORECLOSURES IN SAN MATEO COUNTY



September 2011



An analysis of foreclosure impact and trends in San Mateo County and the Bay Area, and outcomes of activities and responses to address the foreclosure crisis.

FOREWARD

While the foreclosure crisis has received less attention from the media in 2011 compared to the height of the crisis in 2009, the reality is that foreclosures still affect too many homeowners and tenants. My office continues to receive calls from distressed homeowners, and local foreclosure housing counselors continue to be inundated with requests for help from residents in default on their mortgage or those that have had their home repossessed. Worse still, there is an even greater number of homeowners who are underwater on their mortgage, where the market value of their homes is less than the amount owed on their mortgage loans.

Since the height of the foreclosure crisis, I have worked consistently to address the needs of struggling homeowners. I've advocated for state legislative measures that mitigate the cost of the foreclosure crisis to local communities, increase homeowner protections, and establish greater transparency from foreclosing entities.¹ I've also advocated for continued funding and support for foreclosure counselors serving San Mateo County residents.

This year my office organized and hosted a countywide Foreclosure Resource Fair on Oct. 1, with special outreach to seniors and communities of color. We also published a *Foreclosure Resource Guide*—available in English and Spanish—for San Mateo County residents and this publication, *The State of Foreclosures in San Mateo County*.

After reading *The State of Foreclosures in San Mateo County*, my hope is that residents and policymakers are more informed about the practical impact of foreclosures on our county,

that we continue to be aware of the significant ongoing need in our community for foreclosure counseling for struggling homeowners, and that communities, policymakers, and financial institutions across the county build a concerted effort to bring about the substantive policy changes needed to revitalize the housing market and ensure housing security in San Mateo County.

I'd like to thank the following organizations and departments for their research support: San Mateo County Department of Housing; Baird + Driskell Community Planning; 21 Elements; San Mateo County Office of Mark Church, Chief Elections Officer & Assessor - County Clerk - Recorder; DJT Consulting Group; and California Reinvestment Coalition.

If you have questions or comments about this information, please contact me at Rosejg@smcgov.org or call (650) 363-4570.

Sincerely,



Rose Jacobs Gibson, Supervisor
San Mateo County





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EXECUTIVE SUMMARY

The analysis provided in *The State of Foreclosures in San Mateo County* contains the most recent numbers for pre-foreclosures (Notice of Default), foreclosures (Notice of Trustee Sale), and banked-owned homes in San Mateo County. Not only are the most recent trends in foreclosures in the county noted, but the trends are described as far back as 2007. Policymakers and homeowners will be able to track the trends within their own municipalities, while also being able to assess the greater fiscal impact of the foreclosure crisis on county government. The most compelling findings from our research are as follows:

- In San Mateo County (2010), there were 3,859 pre-foreclosures (Notice of Defaults), 3,758 foreclosures (Notice of Trustee Sales), and 1,369 completed foreclosures (new Trustee Deeds). The rates in San Mateo County are high, but not as high as other Bay Area counties such as Alameda, Contra Costa, or Santa Clara.
- While pre-foreclosure (NOD) rates have dropped quickly since 2009, foreclosure (NOS) rates have dropped only slightly.
- From January-July 2011, East Palo Alto, Brisbane, South San Francisco, and Daly City led in pre-foreclosure rates in the county.
- Foreclosures affect homes of all values, including homes valued at \$1 million or more, but median-priced homes appear more likely to go to auction.
- The timeframe from pre-foreclosure to auction has more than doubled since 2008 and is now over 300 days.
- There is a large backlog of homes in the foreclosure process. While the number of new foreclosures has been decreasing, there is a large number of homes scheduled for sale.
- In 2008, most foreclosures (Notice of Trustee Sales) ended with the bank owning the property. By 2011, most trustee sales were either postponed or canceled. The reason for this trend is not clear.
- Banks have been slow to sell the properties that they have foreclosed on. In 2007, there were a little over 300 bank-owned homes, compared to almost 3,300 today.
- For the 2009-2010 tax year alone, property values in San Mateo County have decreased over \$4 billion resulting in more than \$40 million less in government revenue. In 2010-2011 and 2011-2012, the decreases were approximately \$1.5 billion each year or \$15 million less in tax revenue.

Since July 2007, an estimated 1.6 million California homeowners received notices of default.²

Foreclosure rates began to spike in 2008 due to a variety of causes, including decreasing home values (that prevented people from refinancing), short-term mortgages coming due, more restrictive mortgage underwriting criteria, and a general deteriorating economy. California and San Mateo County were particularly hard hit by this trend because of the high cost of housing and the number of unconventional loans that were

made. Moreover, the California economy suffered more than the nation's economy as a whole. For example, for July 2011, California's state unemployment rate stood at 12 percent, while the national average was at 9.1 percent.³ Although still high by historical standards, San Mateo County's foreclosure rates have dropped slightly since 2008-2009.

Total numbers of pre-foreclosures (also known as Notice of Default filings) and foreclosures for San Mateo County, the Bay Area, and California as a whole are listed in Figures 1 and 2.⁴

TOTAL IMPACT

Fig. 1: Pre-foreclosures (Notice of Default Filings)

Year	San Mateo County	Bay Area (9 Counties)	California
2007	2,170	40,698	279,432
2008	3,670	65,415	441,715
2009	5,097	77,463	502,561
2010	3,859	55,014	338,383
2011*	3,456	47,166	269,697

* Projected based on January-June

Fig. 2: Foreclosures (Auctions or Trustee Sales Scheduled)

Year	San Mateo County	Bay Area (9 Counties)	California
2007	1,081	21,571	157,240
2008	2,694	52,430	353,350
2009	3,527	56,790	389,550
2010	3,758	54,819	359,972
2011*	3,488	48,644	291,319

* Projected based on January-June

Fig. 3: Completed Foreclosures (New Trustee Deeds)*

Year	San Mateo County
2007	38
2008	1,399
2009	1,286
2010	1,369
2011 (through 7/20/2011)	364
Total (2007 through 7/20/2011)	4,456

* Provided by the San Mateo County Assessor's Office

**Top Banks*
Foreclosing on
San Mateo County
Residents**

1. Wells Fargo Bank
2. JP Morgan Chase
3. Bank of America
4. U.S. Bank NA
5. Bank of New York
6. Deutsche Bank
7. Aurora
8. Citibank
9. OneWest

Ranking based on foreclosure filings in San Mateo County from January 1, 2010 – August 23, 2011.

*Note that banks #1-3 and #7-9 are servicers, while #4-6 are large trustees.

FORECLOSURE PROCESS

In California, there are several steps to the foreclosure process. There are many circumstances that can affect the process, but the following is typical.

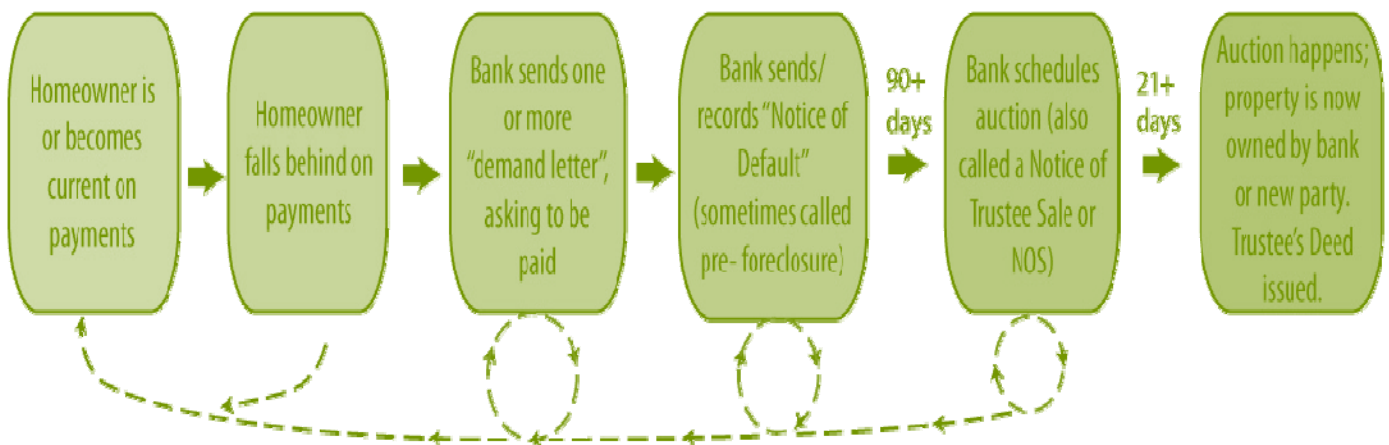
It often starts when a homeowner falls behind on payments. The bank may send one or more “demand letters,” asking to be paid.

The first formal step is called a Notice of Default (NOD), which is a document that states that the terms of the original loan are not being honored. Notices of Default are sometimes called pre-foreclosures. This is filed with the county and mailed to the homeowner. The bank (or technically a third party called a trustee) must wait at least 90 days before filing a Notice of Trustee Sale (NOS). This sets a date for the home to be auctioned.

At least 21 days after the NOS, an auction can take place, usually at the county courthouse steps. During the auction, the home becomes owned by a new party or more likely by the bank.

Figure 4, below, looks linear, but often the process will cycle forward and back. It is possible for one home to have more than one Notice of Default (NOD). For example, if a homeowner receives a NOD from the bank, works out a deal, but then the deal falls through or the modification was only temporary, he or she may receive a second NOD. Or if there is more than one loan, there may be multiple NODs.

Fig. 4: Typical Foreclosure Process in California



Foreclosure Impact to the Bay Area

From 2007 to 2008, pre-foreclosures (NODs) and foreclosures increased rapidly in San Mateo County and the San Francisco Bay Area. The numbers have decreased slightly since 2009. In 2007, there were approximately 21,600 foreclosures in the nine-county metropolitan area. By 2009, that number had more than doubled, to approximately 56,800. The number is projected to be approximately 48,600 for 2011.

Fig. 5: Trend of Pre-foreclosures in the Bay Area (2007–2011)

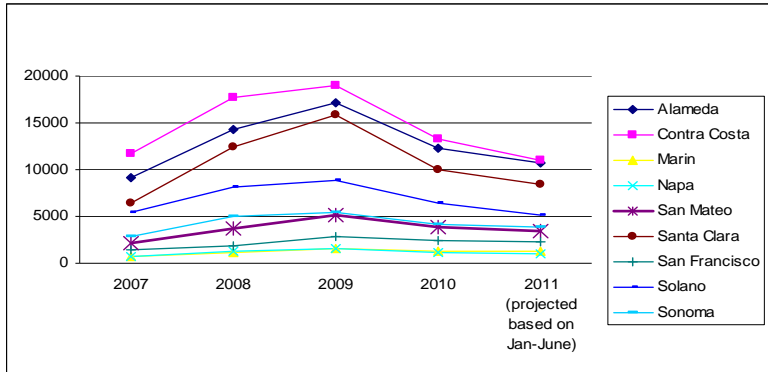


Fig. 6: Foreclosures in the Bay Area (2007–2011)

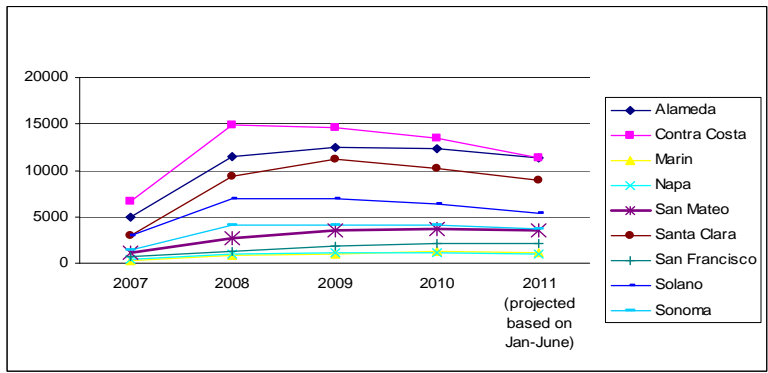
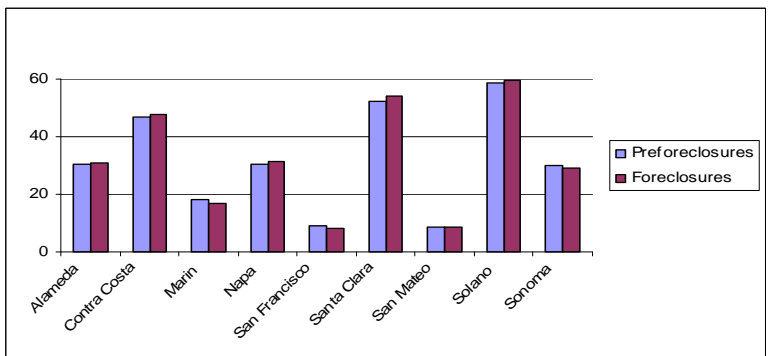


Fig. 7: Pre-foreclosures and Foreclosures per 1,000 Homes (2010–present)⁵



While many people are affected by foreclosures in San Mateo County, the problem is worse in many other counties in the Bay Area.

Foreclosure Impact to San Mateo County

The trends in San Mateo County have followed the trends in the Bay Area. The rate of foreclosures was relatively low in 2007, but increased rapidly the following year. There was a brief decline in foreclosures as banks instituted a short-term foreclosure moratorium in 2008. The numbers then increased substantially in 2009 and have trended down slightly since then.

Fig. 8: San Mateo County Pre-foreclosure (NOD) Trends (2007–July 2011)

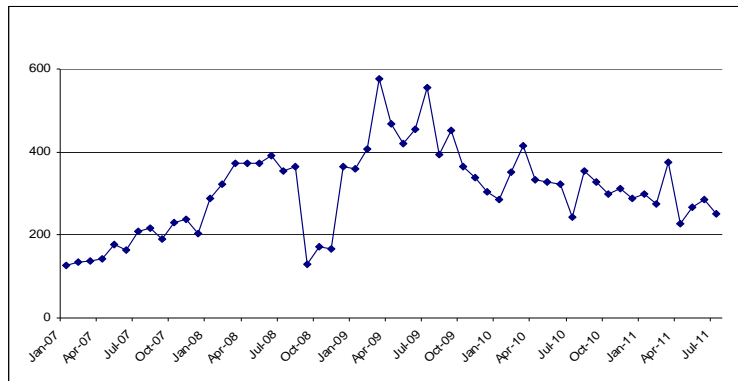


Fig. 9: Pre-Foreclosure (NOD) Rates over Time in Municipalities

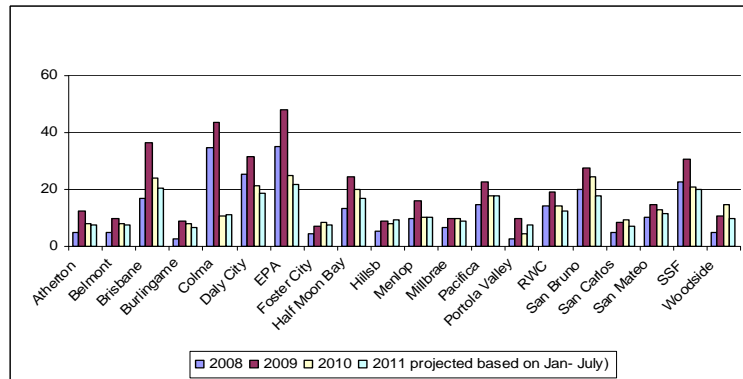
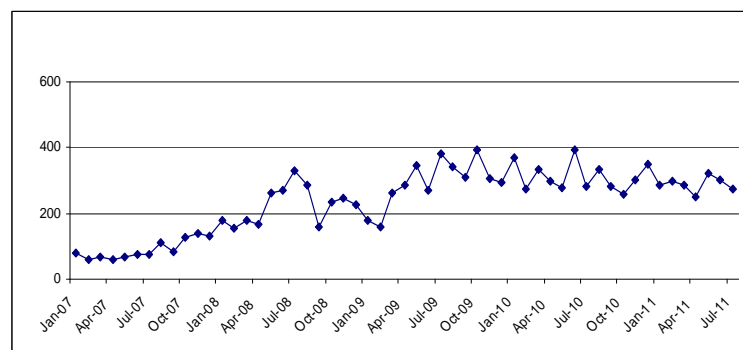


Fig. 10: San Mateo County Foreclosure Trends (2007–July 2011)



Foreclosure rates varied widely in different San Mateo County jurisdictions. In 2011, the foreclosure rate per 1,000 homes was as low as 5.4 in Hillsborough and as high as 23 in East Palo Alto. This translates to a high of approximately 0.32 percent of homes in some jurisdictions receiving a new notice of default each month, though in most jurisdictions in most months the numbers are lower.

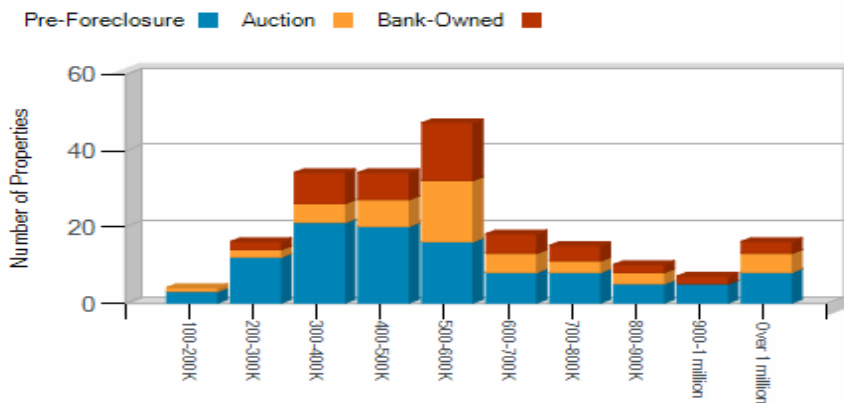
Fig. 11: Numbers and Rates per 1,000 Homes by Jurisdiction in 2011*

Municipality	Pre-foreclosures		Foreclosures	
	Number	Rate	Number	Rate
Atherton	11	7.6	15	10
Belmont	47	7.5	34	5.4
Brisbane	19	21	17	18
Burlingame	45	6.6	46	6.8
Colma	3	11	7	26
Daly City	355	19	390	20
East Palo Alto	126	22	135	23
Foster City	51	7.4	38	5.5
Half Moon Bay	46	17	42	15
Hillsborough	21	9.5	12	5.4
Menlo Park	72	10	80	11
Portola Valley	8	7.4	7	6.5
Redwood City	206	12	181	11
San Bruno	160	18	178	20
San Carlos	46	7.1	42	6.5
San Mateo	263	12	260	11
South San Francisco	246	20	248	20
Woodside	12	9.8	12	9.8

* projected

As seen in Figure 12, mid-priced homes (between \$500,000-600,000) are more likely to end up bank-owned than homes at either end of the cost spectrum. The data below could be interpreted in a number of ways. It could be the case that the homeowners of homes valued at \$1 million+ took out their equity but were unable to pay the second mortgage back, or banks may have a different standard for properties valued at more than \$1 million which accounts for the fewer number of bank-owned properties compared to homes valued at \$500,000. It could also mean that the homeowners of homes valued at \$1 million+ are more affluent, have more access to assistance from family or other sources, and/or are more adept at negotiating with banks and navigating the process when looking for programs to save their homes.

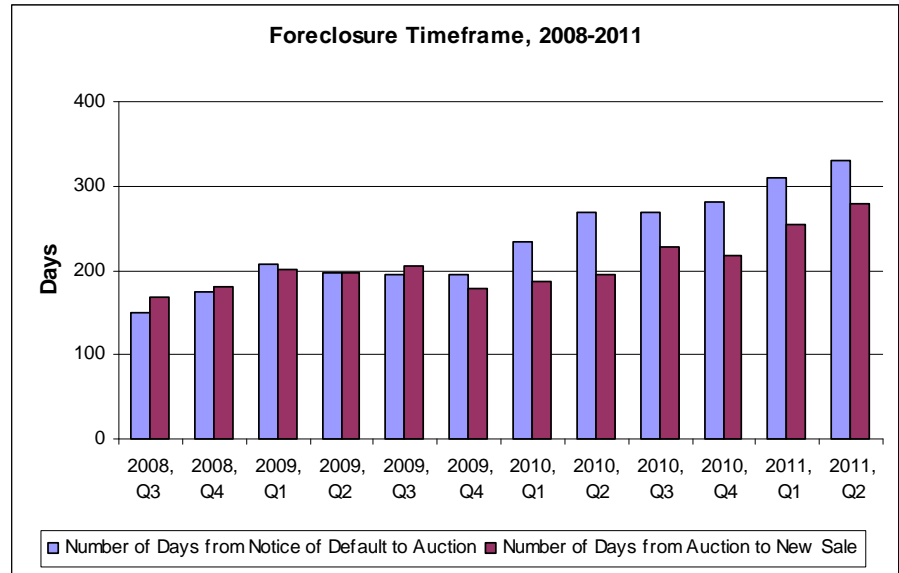
Fig. 12: July 2011 San Mateo County Foreclosures by Market Value⁶



While foreclosures are mostly affecting median market value homes, valued at \$500,000, it is clear that homes of varying values are also affected, including homes valued at \$1 million or more.

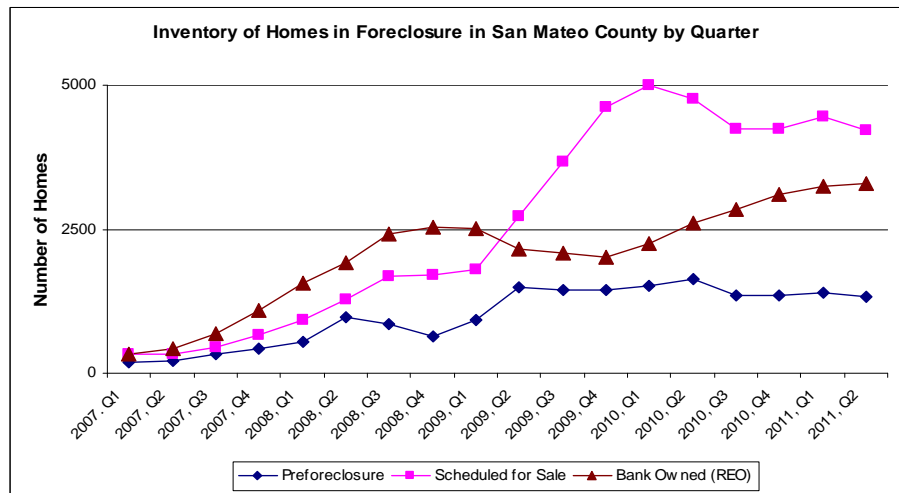
In 2008, banks moved relatively quickly from filing a Notice of Default (NOD) to holding an auction, averaging fewer than five months (the minimum amount of time allowed by law is approximately four months). In 2011, the process averaged over 11 months. In 2011, it took banks, on average, over nine months to sell homes after they foreclosed (received title at Trustee Sale).

Fig. 13: Timeframe for Banks to Resolve Foreclosures (Auction or New Sales)



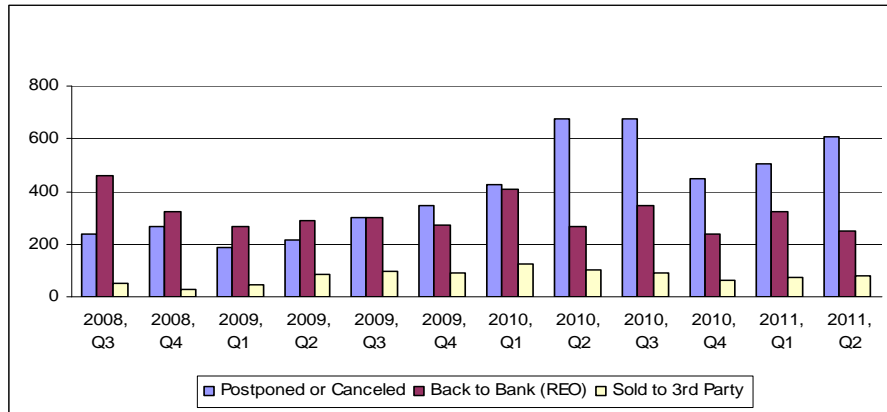
There is a large backlog of homes in the foreclosure process. While the number of new foreclosures has been decreasing, there are a large number of homes scheduled for sale. There is also an increasing number of bank-owned homes. Banks have been slow to sell the properties that they have foreclosed on. In 2007, there were a little over 300 bank-owned homes, compared to almost 3,300 today.

Fig. 14: Comparison of Pre-foreclosure, Scheduled for Sale & Bank-Owned Homes



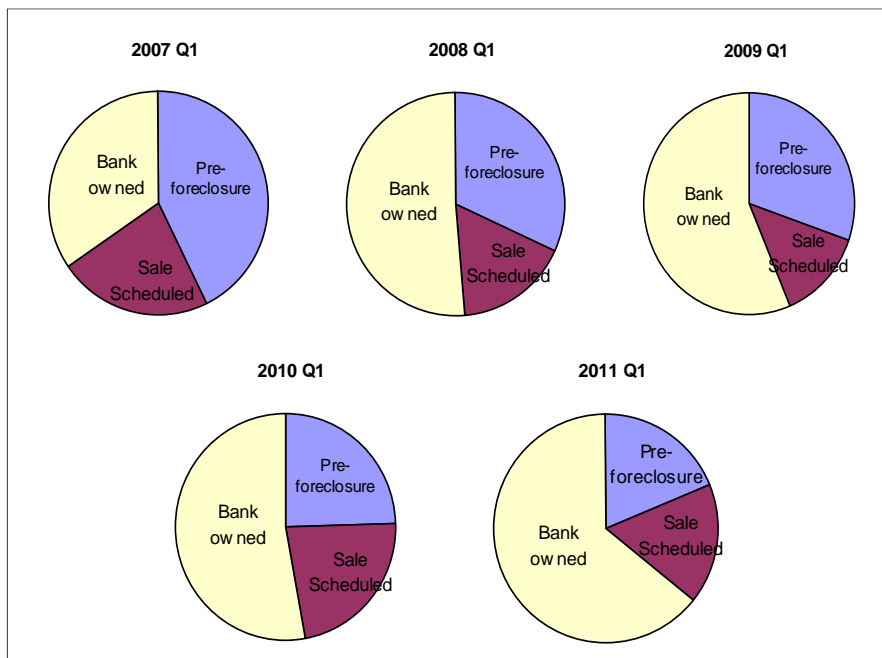
In 2008, most notice of trustee sales ended with the bank owning the property. This means that the lenders/servicers were unable or unwilling to reach an agreement with the homeowner to keep them in their homes. By 2011, most trustee sales were either postponed or canceled. The reason for this trend is not clear.

Fig. 15: Outcome for Homes in a Notice of Trustee Sale



In 2007, there were many homes in the beginning stages of the foreclosure process (pre-foreclosure) compared to the end stages (bank-owned). By 2011, the percentages had reversed. As shown below in Figure 16, there are significantly more bank-owned properties than pre-foreclosure and notice of trustee sale homes combined in 2011.

Fig. 16: Distribution of Pre-foreclosure, Notice of Trustee Sales/Auction, and Bank-owned Homes (2007–2011)



Declining Property Values

In addition to foreclosures, an equally troubling phenomenon is the growing number of homeowners whose homes are declining in value. The decline in property values has reduced property tax revenue for cities and the county. For the 2009-2010 tax year alone, property values in the county have decreased over \$4 billion resulting in more than \$40 million less in local government revenue. In 2010-2011 and 2011-2012, the decreases were approximately \$1.5 billion each year or \$15 million less in tax revenue.⁷ From 2009-2011, \$167 million of this decline in value is directly attributable to the impact of foreclosures. Assuming a tax rate of one percent per year, this resulted in a loss of over \$1.67 million for the cities and county. However, much of this money may have been lost as a result of reassessments that reflected the overall decrease in housing prices.

Fig. 17: Decline in Tax Revenues from Declining Property Values

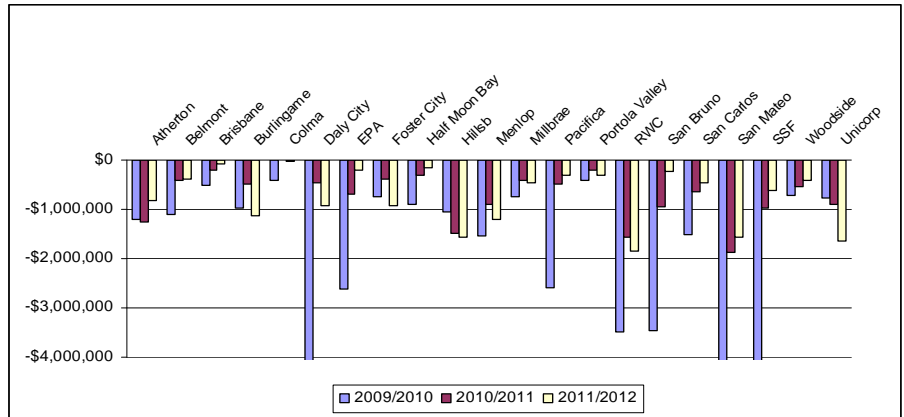
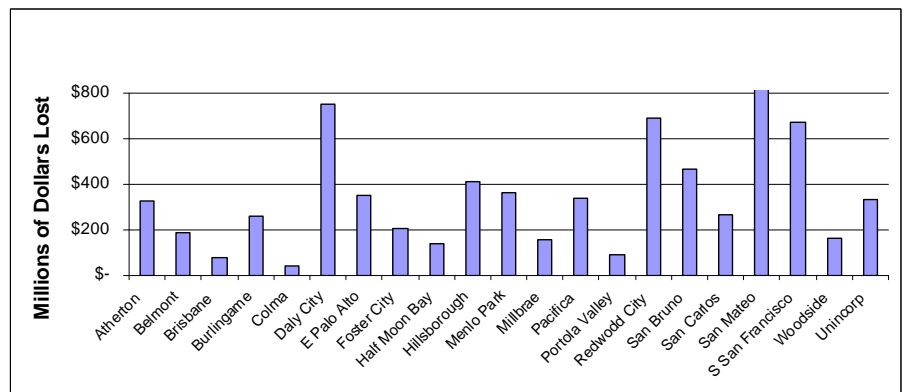


Figure 18 provides graphic representation of the significant loss in property values for each city in the County of San Mateo. The cities of San Mateo, Daly City, Redwood City, and South San Francisco sustained the most significant loss in property value.

Fig. 18: Municipalities & Loss in Property Value (2009-2011)



In April 2011 the San Mateo County Department of Housing and the Office of Supervisor Rose Jacobs Gibson worked with DJT Consulting Group, a grant writing and community resource development firm, to assess existing foreclosure services and the county's overall preparedness in order to appropriately address the ongoing foreclosure crisis. The county had previously examined the foreclosure crisis and potential responses in 2009.

An update on services available and a measure of current unmet need was necessary in order to define the next steps that policy-makers should pursue. An online survey was designed using questions from similar surveys, related research from across the United States, and input from a core group of stakeholders.⁸ County staff, non-profit planning agency leadership, and a foreclosure prevention service provider field-tested the survey.

SURVEY OUTCOMES

Survey Respondents

The list of potential respondents was gleaned from a roster of attendees of a Foreclosure Response Scoping Workshop that was hosted by HEART⁹ and the Housing Department in May 2009, a review of information and referral listings (such as those used by Supervisor Jacobs Gibson's Office and posted on the County's Housing Department website¹⁰), secondary research, and suggestions from staff at the two offices (Department of Housing and the Office of Supervisor Rose Jacobs Gibson).

Government entities and non-profit or other direct service providers were originally the target audience for the survey. The distribution list was reduced to only include service providers, based on input from the survey development team and other subject matter experts, including government employees. Those entities providing direct services were more often non-governmental entities. Because of their direct contact with clients regarding these specific needs, they would be more likely to have greater access and insight into the ongoing housing needs and challenges of residents in the county.

Survey Questions

Multiple-choice questions addressed what foreclosure response services are available locally, the volume of activity for these entities, what money and other resource support were available for these efforts, and estimates of the gap in needs versus services offered. Open-ended questions included asking for respondents' ideas to improve the foreclosure response.¹¹

Survey Distribution & Response Rate

The survey was distributed in March and April 2011. Seventeen responses were obtained, which included input from all the counseling agencies that serve the foreclosure counseling needs of San Mateo County residents. Responses were anonymous, and the results from the survey are provided in aggregate form.

Selected Survey Results

Responses were similar across survey respondents.

Most respondents:

- Were aware of services that exist for county residents;
- Felt that homeowners:
 - were not well educated about their home loans before they signed up for them,
 - didn't understand how to deal with the threat of foreclosure, or
 - were not receiving the help they needed from their lenders in order to avoid foreclosure.

Resources Available

Respondents were asked about their awareness of resources in the community and which services their own organization provides. Of the service options presented, the one that was noted as the least available was equity infusions. A property is considered “underwater” when the mortgage loan on it is more than the value of the property. Most lenders are only willing to consider a loan restructuring if the owner is able to make a significant equity infusion to reduce the gap between the loan balance and the value of the home.¹² Hence, equity infusions are particularly desirable to struggling homeowners.

Table 1: Services Available for Struggling Homeowners

Service	Known to be Available	Respondent Agency Provides
Information	82%	82%
Outreach/Referral/Screening	82%	88%
Counseling (other than legal counseling)	82%	82%
Counseling about Legal Issues	65%	24%
Refinance/Loan Modifications	65%	65%
Equity Infusion	12%	18%
Other Solutions (such as shared housing)	35%	35%

Other options provided by respondent agencies or known to be available in the community included: individual financial literacy, education and coaching, credit readiness counseling, referrals to housing options, eviction prevention and defense, settlement of second mortgages, negotiating re-payment plans and forbearances, short sales, and home sharing.

Foreclosure Causes

Reasons for homeowners going into foreclosure were listed and respondents were asked to mark all that applied. Table 2 shows that most respondents agreed about the main causes of foreclosure.

Table 2: The Primary Causes of Foreclosures

Foreclosure Causes	% of Respondents
Loss of employment or reduction in income	100%
Adjustable mortgage rate (ARM) changed	88%
Companies were unwilling to modify loans in a way that works for homeowner	88%
Home payments were too high, homeowner couldn't afford them	82%
Homeowner did not understand mortgage issues due to language barriers	71%
Home value was less than the mortgage (house is “underwater,” worth less than the amount owed)	59%
Divorce, separation, health issues or other family problems	29%

A number of tools that could be useful to foreclosure prevention staff were listed. Most respondents agreed that all the tools listed would be “very useful” or “useful.” Table 3 depicts the aggregate responses.

Table 3: Tools Needed by Foreclosure Housing Counselors

Tools Needed	Very Use-ful or Useful	Not Useful
Added staffing	16	0
Establish a caseload triage system at or prior to full intake	11	3
Help for non-English speakers	14	0
Hold group clinics where multiple clients can take advantage of intake, document collection, and assessment services all at once	13	2
Increased training for staff working with households to avoid foreclosures	15	1
Partnership with legal services organizations to refer out cases best handled by a lawyer	14	1
Partnerships with other organizations so clients can be referred out in a timely fashion and caseload is handled more efficiently (Realtors; countywide network; state-level organizations; regional, statewide, or national foreclosure hotlines, etc.)	13	2
Use improved means to reach clients on a timely basis. For instance, regular brief check-in phone calls, email, web/ internet, fax, and videoconferencing	13	1
Use temporary and/or volunteer staff (including college/law student interns) for data input, file management, and maintenance so that counselors can focus on follow-up with clients & servicers	10	4

Respondents could write-in other responses or comments. These are provided below.

- Advocacy toward lender compliance is needed. We have had many denials overturned due to the lender not complying with guidelines.
- Help for senior citizens. Many have payment option arms that are recasting with negative equity. Barriers qualifying such as limited fixed income. They need skilled counselors as their cases tend to be much more complicated.
- Staff to client ratio needs to be limited. Currently, housing agencies are handling 100-200 cases per counselors. This does more harm than good. Counselors burn out fast and clients do not get served. Effectively managing caseloads will provide better outcomes.
- The Administrations Home Affordable Modification Program has an escalation (HAMP Resolutions) process that counselors can use to appeal denials. Nonprofits are only able to access HAMP Resolutions. Most agencies are not using this tool.
- "Hope LoanPort" is very helpful in expediting loan modification packages to servicers.

Revenue Sources

Given that there are dwindling resources for foreclosure counseling, respondents were asked to list the three top sources of revenue for their foreclosure prevention work. Sources listed included:

- Government grants and loans, with the Neighborworks - National Foreclosure Mitigation Counseling Program (NFMC) was most often listed as well as funds from Housing and Urban Development (HUD), Community Development Block Grant (CDBG) funds, and the San Francisco Mayor's office.
- Foundation support was noted by many respondents, with the Silicon Valley Foundation, the San Francisco Foundation and the Grove Foundation being mentioned in particular.
- Lenders, banks, agency funds and fee for service revenues were the least frequently noted.

Significant/Unusual Responses

Unmet or underserved needs that were not otherwise addressed in the survey included financial literacy and help for non-English speakers and senior citizens. One agency noted that they provide a "home sharing" service and suggested that this is one way to help prevent foreclosure. Home sharing is facilitated by home providers (owners/renters) who contact the agency to find someone to move in with them. These "home seekers" pay rent, exchange services in lieu of rent, or a combination of the two. Advocating for better responsiveness/responsibility by loan agencies was noted as a useful tool that had not been addressed otherwise in the survey.

Implications of Survey Responses & Follow-up

The survey was part of a process that included garnering input from providers and other stakeholders, individually and in-group settings. Overall, foreclosure prevention agencies that serve San Mateo County residents are aware of available resources to help their clients. They partner, when possible, in order to best leverage resources. Some unmet needs can be addressed through resource infusions, and the more efficient use of trained staff. Respondents noted a willingness to share further thoughts about the foreclosure crisis and possible solutions.

The consensus for what foreclosure counselors needed to adequately meet the needs of struggling homeowners was staffing, help for non-English speakers, increased training for staff working with households to avoid foreclosures, partnership with legal services organizations to refer out cases best handled by a lawyer, and holding group clinics where multiple clients can take advantage of intake and document collection and assessment services all at once. The aforementioned needs require support from policymakers and services alike to ensure capacity-building .

San Mateo County Homeownership Recovery Convening

On April 8, 2011 Supervisor Rose Jacobs Gibson convened providers, community-based organizations, and agencies that serve and advocate for struggling homeowners in San Mateo County. Participants engaged in a robust discussion about foreclosures in the county, shared stories about their interactions with lenders, examined the challenges, and looked at potential remedies to reduce the number of foreclosure in our county.

Discussion began with a look at the combination of factors forcing people out of their homes. Seniors experiencing foreclosure were seen as a distinct and emerging set of issues by the group. Seniors have been especially affected because they paid on interest-only loans for years and have no equity built up in their house. They also tend to refinance rather than utilize reverse mortgages, leaving them with little money to live on. To make matters more complicated, they are often supporting unemployed adult children at the same time. Then when they finally lose their home, the adult children find themselves homeless as well.

People of color and English-limited proficiency (ELP) individuals have unique and complex foreclosure issues as well. ELP homeowners have difficulty distinguishing the difference when their house is being foreclosed vs. other actions. Borrowers of color get the worst outcomes in the process and often receive substandard foreclosure modification service providers.

Supervisor Jacobs Gibson asked the group what tools would help

with caseloads. Everyone readily agreed they simply need more staff. With the cuts happening at every level in government and the continuing growth in foreclosure caseloads, there simply isn't enough staff to meet the demand for foreclosure counseling. They also expressed the need for access to more social and mental health service resources.

Conversation then turned to potential remedies and solutions to the foreclosure crisis. There was overwhelming agreement that the enforcement of existing laws would go a long way. For example, more enforcement of SB 1137, which fines banks \$1,000 per day if not maintaining bank-owned foreclosed homes, could help with the budget crises and hold banks accountable. The state attorney general could do more as well. Options for criminal penalties for noncompliant lenders were also discussed.

Other remedies include collaborating with lenders to assist on a larger scale, streamlining the modification process, pushing for transparent guidelines, and re-allocating funding sources. It was also suggested to form a "foreclosure response" task force in San Mateo County.

CONVENING

Convening Participants

- Alliance of Californians for Community Empowerment (ACCE)
- Asian, Inc.
- California Reinvestment Coalition (CRC)
- Community Legal Services in East Palo Alto (CLESPA)
- El Concilio of San Mateo County
- Habitat for Humanity
- Hip Housing
- Housing and Economic Rights Advocates (HERA)
- Housing for All
- Mission Economic Development Association (MEDA)
- National Asian American Coalition (NAAC)
- Neighborhood Assistance Corp of America (NACA)
- Neighborhood Housing Services of Silicon Valley
- Northern California Urban Development (NCUD)
- Project Sentinel
- San Mateo County Department of Housing
- Shelter Network
- Unity Council

Senior Homeownership Recovery and Displacement Prevention

On May 3, 2011, the Office of Supervisor Rose Jacobs Gibson convened faith leaders, mostly from the City of East Palo Alto, to discuss the impact of foreclosures on seniors and ways to better serve their foreclosure and transitional housing needs. Following is a summary of the some of the major themes from the meeting.

Faith leaders have seen a different side of the foreclosure crisis and had many stories to share about the toll the crisis has taken on their congregations.

While they have seen a rise in depression, much of faith leaders' counseling with congregants centers on "where am I going to live?" This is compounded by shame and embarrassment. People facing foreclosure simply don't want the community to know. This is particularly acute in communities of color because they tend to be close knit.

Faith leaders also shared with Supervisor Jacobs Gibson the special challenges they face when counseling seniors who are facing foreclosure. As seniors experience a natural decline in mental acuity, their ability to understand reverse mortgages or the many nuances to loan modifications becomes increasingly difficult. Moreover, seniors often don't talk to their adult children about their financial situation, so the children are usually unaware.

The group expressed considerable concern about the number of seniors living in homes that are literally falling apart. Some seniors are unable to take care of their homes anymore and should be encouraged to sell or consider home sharing. But these are difficult conversations to have, especially when the children are unaware of how their parents' living situation has deteriorated.

Faith leaders also discussed actions they have taken on their own to help mitigate the impact of the foreclosure crisis in the community. But while they are doing what they can, they had suggestions for how they could do more and how the county could improve its services.

The group suggested that a team of community-based organizations, people of faith, and senior groups should be established to coordinate outreach and education about foreclosure and seniors. The team could visit churches and senior centers and help empower seniors to feel in control. They could also provide faith leaders with resources for referrals.

There was general consensus that more support needs to be provided to caregivers of seniors. They suggested a training class for pastors, care-givers, and those interested in serving seniors. The class could focus on available resources and help caregivers realize it is okay to get angry and upset. The formation of a support group would be ideal as well.

Supervisor Jacobs Gibson's dialogue with faith leaders serves as a strong reminder that our community's faith leaders are at the frontlines of this foreclosure crisis and can provide critical insight into its impact on our community members.

Foreclosure data came from ForeclosureRadar.com and RealtyTrac.com, as assessed on August 25-29, 2011 and is based on monthly or quarterly filings.

The number of foreclosures for San Mateo County may not be the sum of all the cities because of foreclosures in the unincorporated county and/or foreclosures that were not tagged to a specific city.

The yearly totals for foreclosures may double count some homes if a homeowner received more than one notice of default. This could happen because he or she makes arrangements with one bank and then falls behind again or the agreement expires. Homes could

also have multiple foreclosures listed if there were multiple loans on the property.

Number of Trustee Deeds issued and changes in market value were supplied by the San Mateo County Assessor's Office, August 2011.

The total number of housing units for counties and the state came from the 2010 U.S. Census. The housing unit totals for cities comes from the U.S. Census Bureau's American Community Survey, 2004-2009 five-year count. 2010 Census data for cities is not currently available.

¹ Supervisor Rose Jacobs Gibson supported AB 935 (Blumenfield), SB 729 (Leno/Steinberg), and AB 1321 (Wieckowski). None of the bills was codified into law.

²Foreclosure Radar. (Data retrieved August 25, 2011)

³U.S. Bureau of Labor Statistics, July 2011 United States and California Unemployment Rate. (Retrieved 8/30/2011)

⁴A note about terms: This report refers to *Notice of Defaults* as pre-foreclosures, *Notice of Trustee Sales* as foreclosures, and new trustee deeds being issued as completed foreclosures. See typical foreclosure process graphic on page 4.

⁵This is calculated by examining the number of Notices of Default or Notice of Trustee Sales, dividing by the number of housing units, and multiplying by 1,000. The raw numbers for Notices of Default or Notice of Trustee Sales were taken from Foreclosure Radar.

⁶Information was taken from RealtyTrac

⁷Data provided by San Mateo County Office of Mark Church, Chief Elections Office & Assessor - County Clerk - Recorder

⁸Other surveys or sources consulted included: New Hampshire's *Foreclosure Notice Recipient Survey* (www.nhhfa.org/rl_docs/.../ForeclosureSummary_CurrentReport.pdf), *Foreclosure to Homelessness 2009 Survey*, (www.nationalhomeless.org/advocacy/ForeclosuretoHomelessness0609.pdf) and the *Urban Institute's Web Survey of Foreclosure Prevention Counseling Agencies* (www2.urban.org/nnip/pdf%5Cforeclosure_tools_csurvey.pdf)

⁹Housing Endowment and Regional Trust of San Mateo County (HEART)

¹⁰*San Mateo County Resources for Those in Need*, <http://www.co.sanmateo.ca.us/portal/site/smchelps>

¹¹A copy of the "Home Foreclosure Survey" can be obtained by contacting the Office of Supervisor Rose Jacobs Gibson at (650) 363-4570.

¹²http://www.3netequities.com/TAPT_Program.html



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