

THE FACE OF **FORECLOSURE**



AN ANALYSIS OF THE
NEVADA
FORECLOSURE **CRISIS**

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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-five 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 state-wide 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)
- ➔ Real Estate Owned (REO)
- ➔ Notices of Trustee Sales (NTS)

* 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

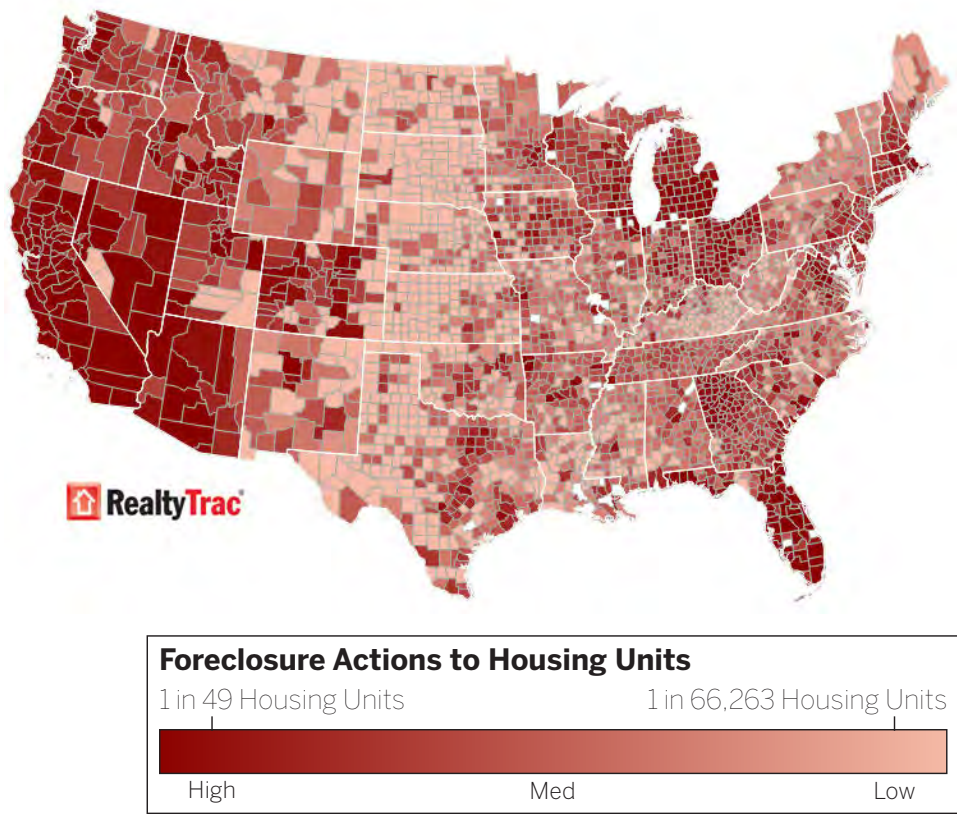


Findings - By The Numbers

Compared to the U.S.

Nevada continues to have the highest foreclosure rate in the United States through all of 2010.

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
U.S.										
1	Nevada	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

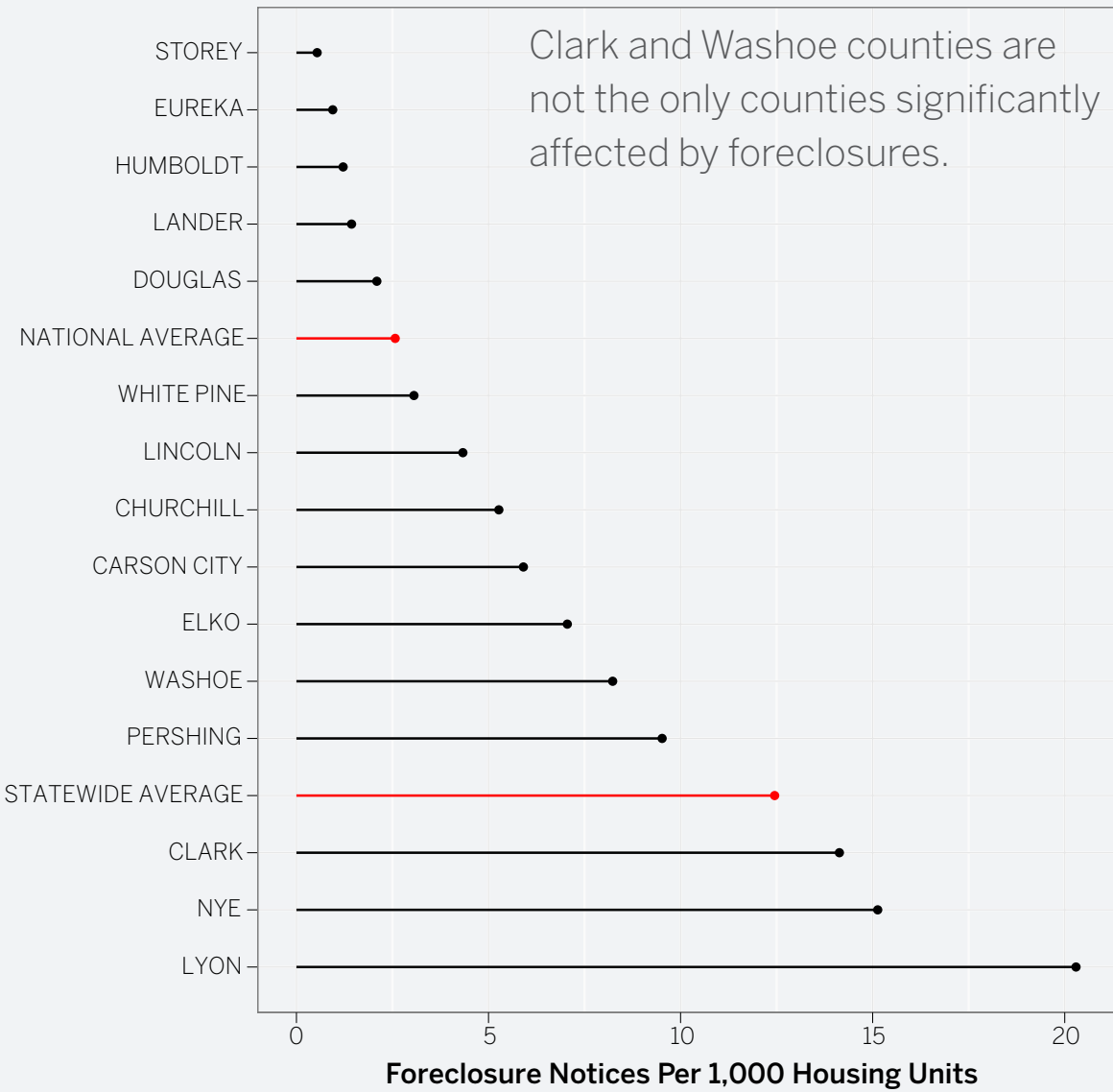


Figure 1

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
Story	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

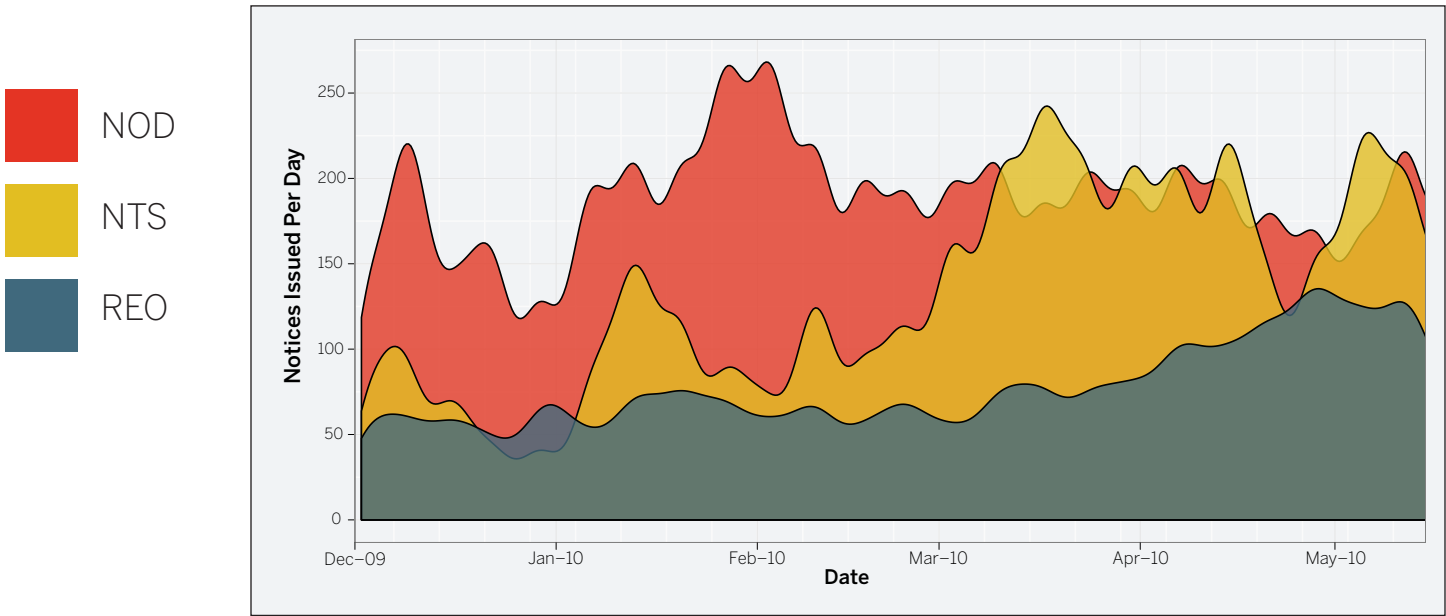


Figure 2

FORECLOSURE NOTICES ISSUED PER DAY #2

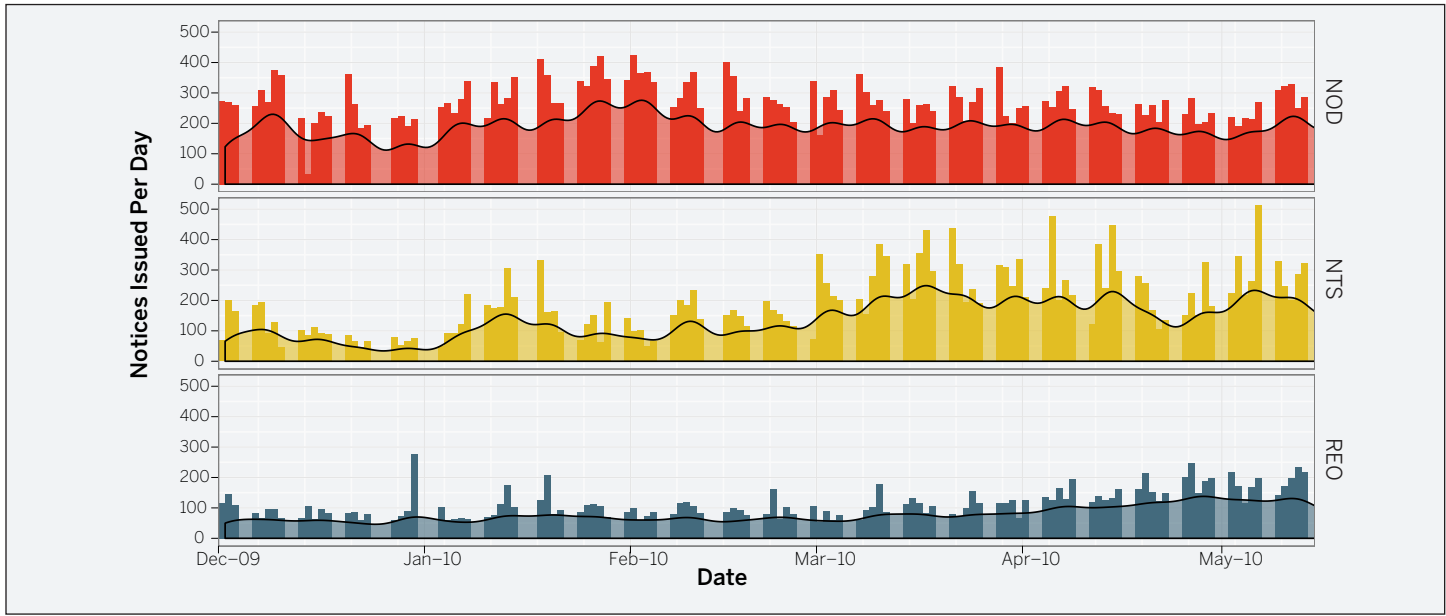


Figure 3

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?

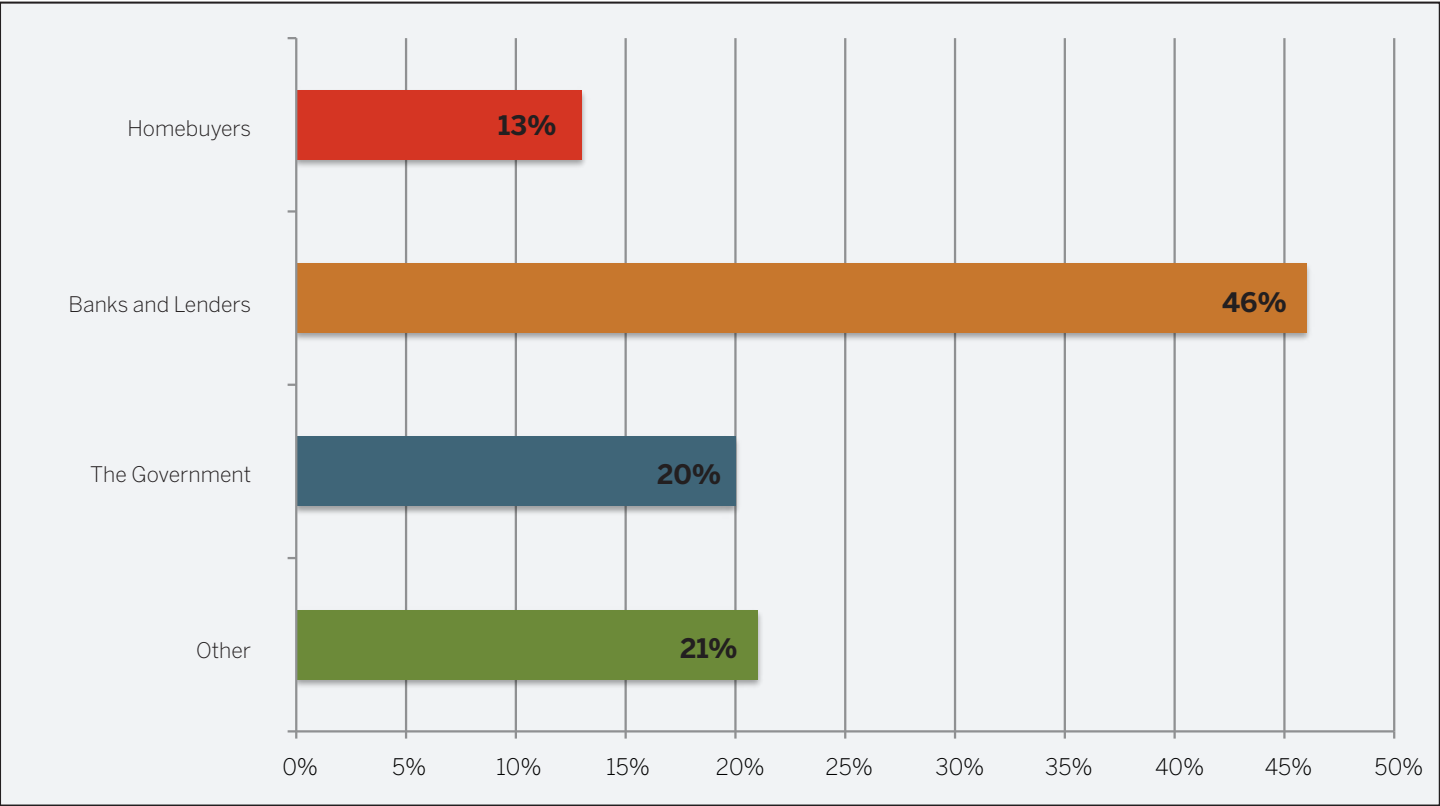


Figure 4

WHERE HOMEOWNERS PLACE THE BLAME

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

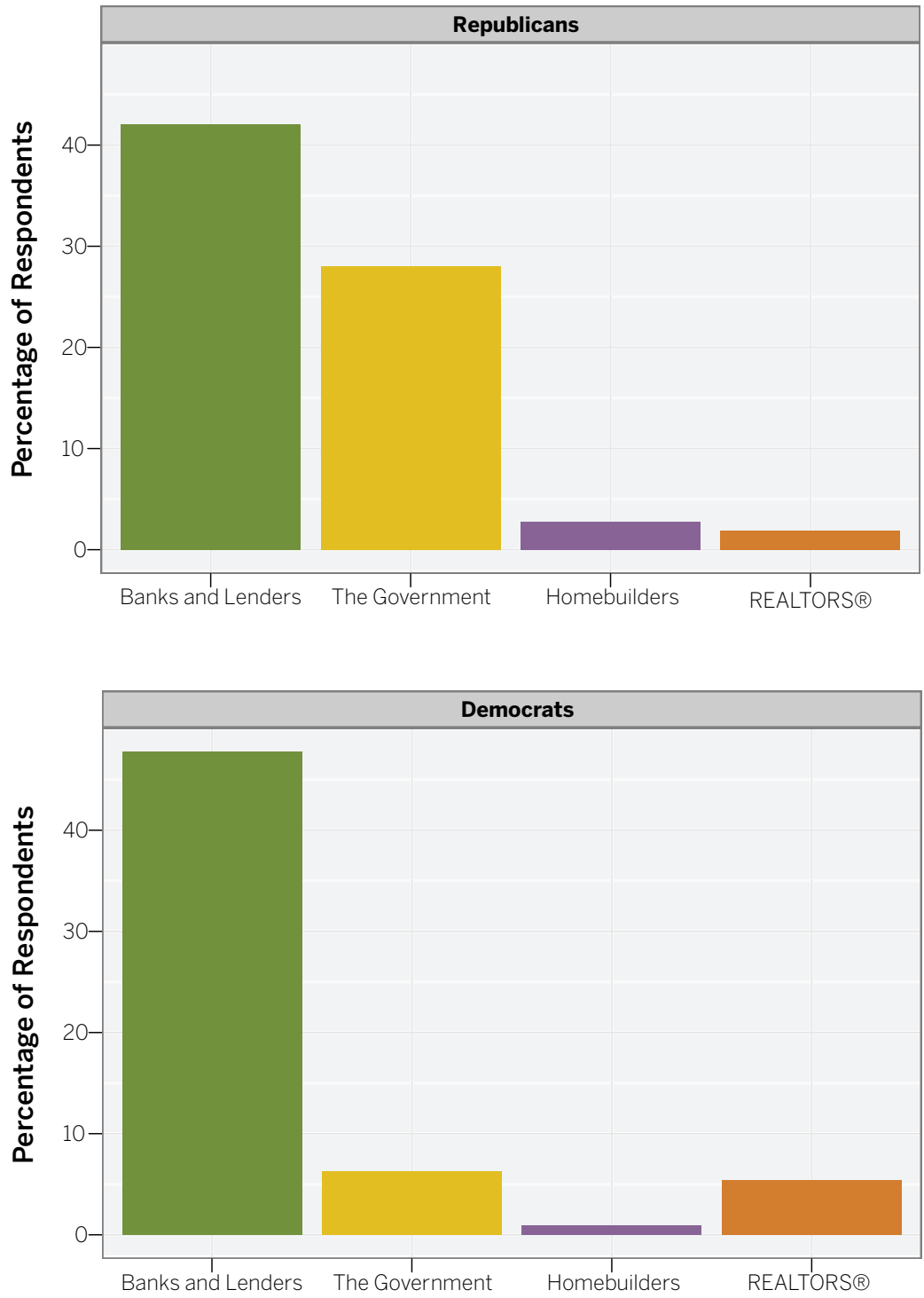


Figure 5

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

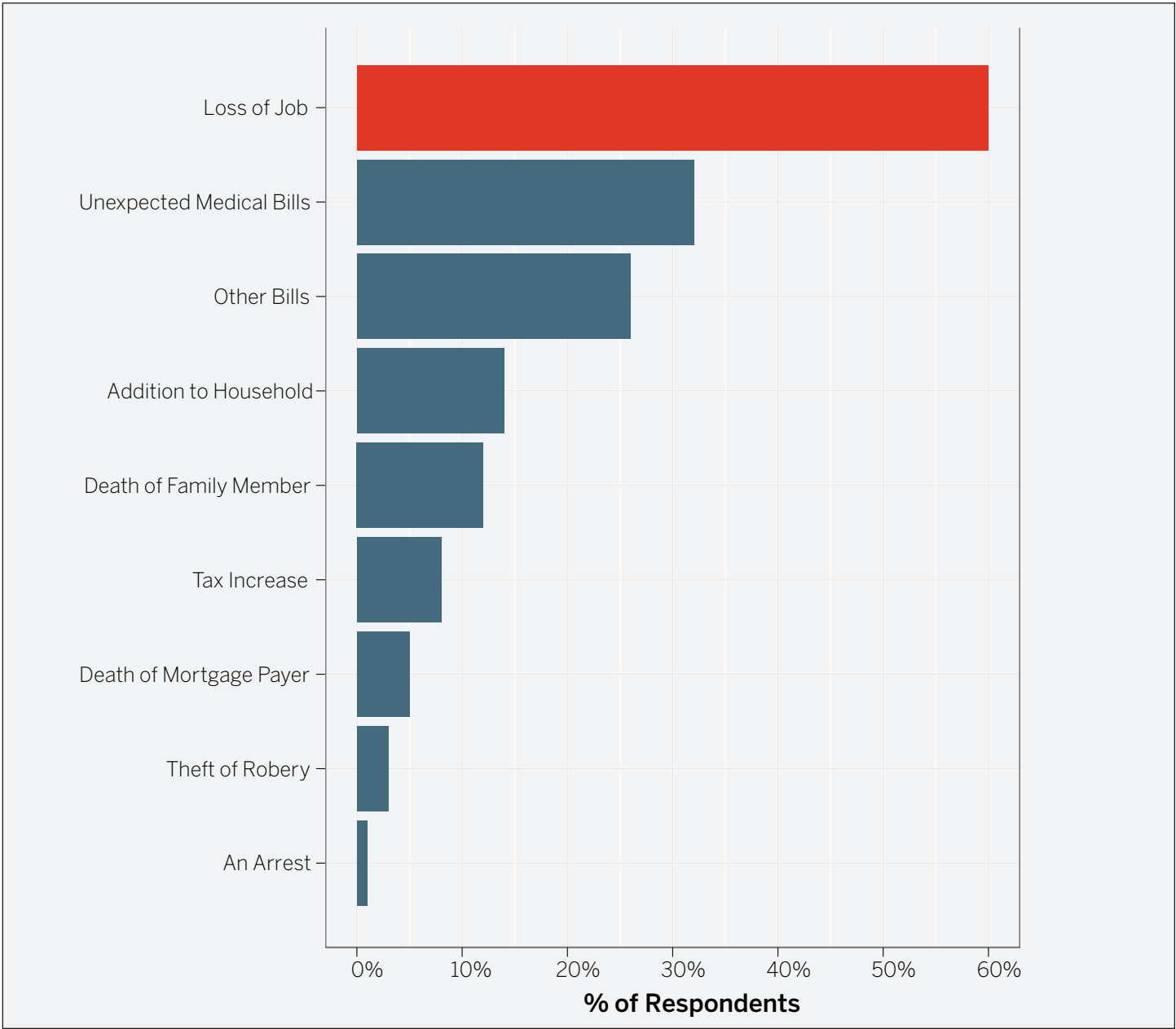


Figure 6

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

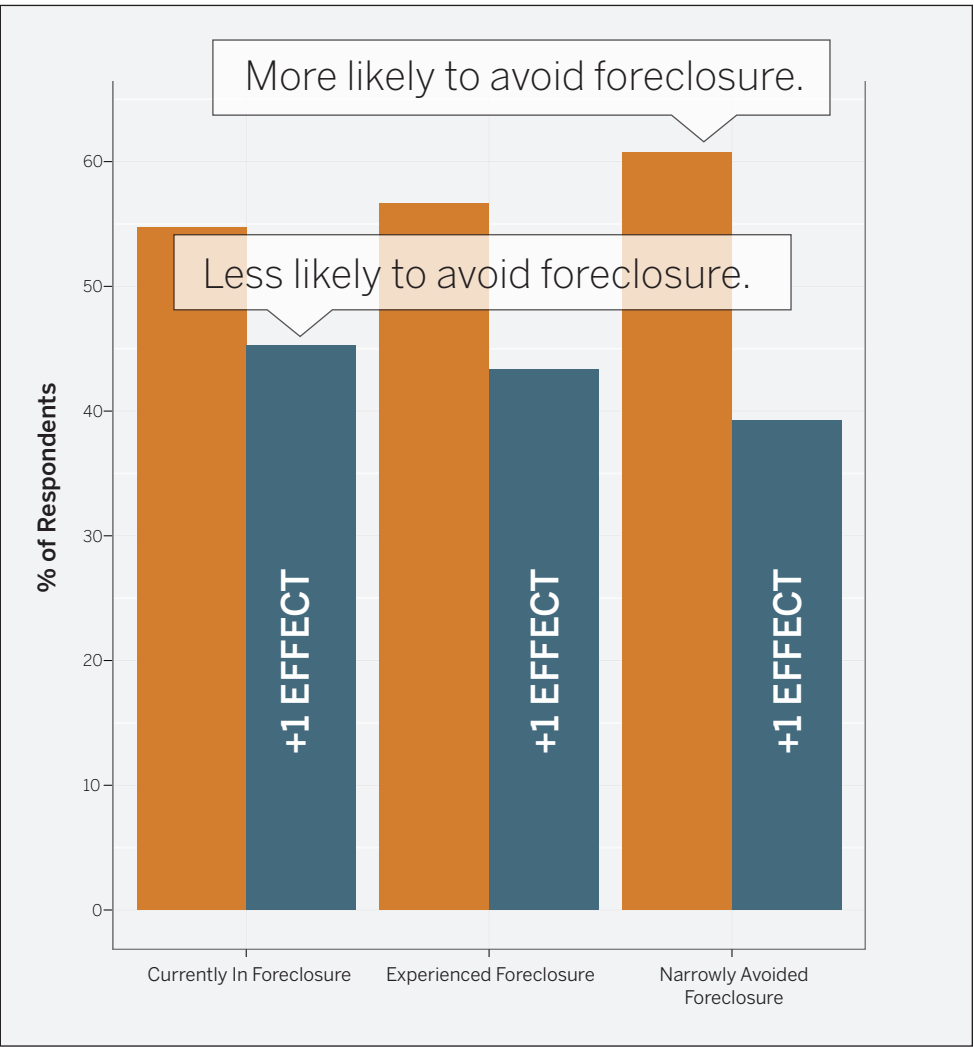


Figure 8

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

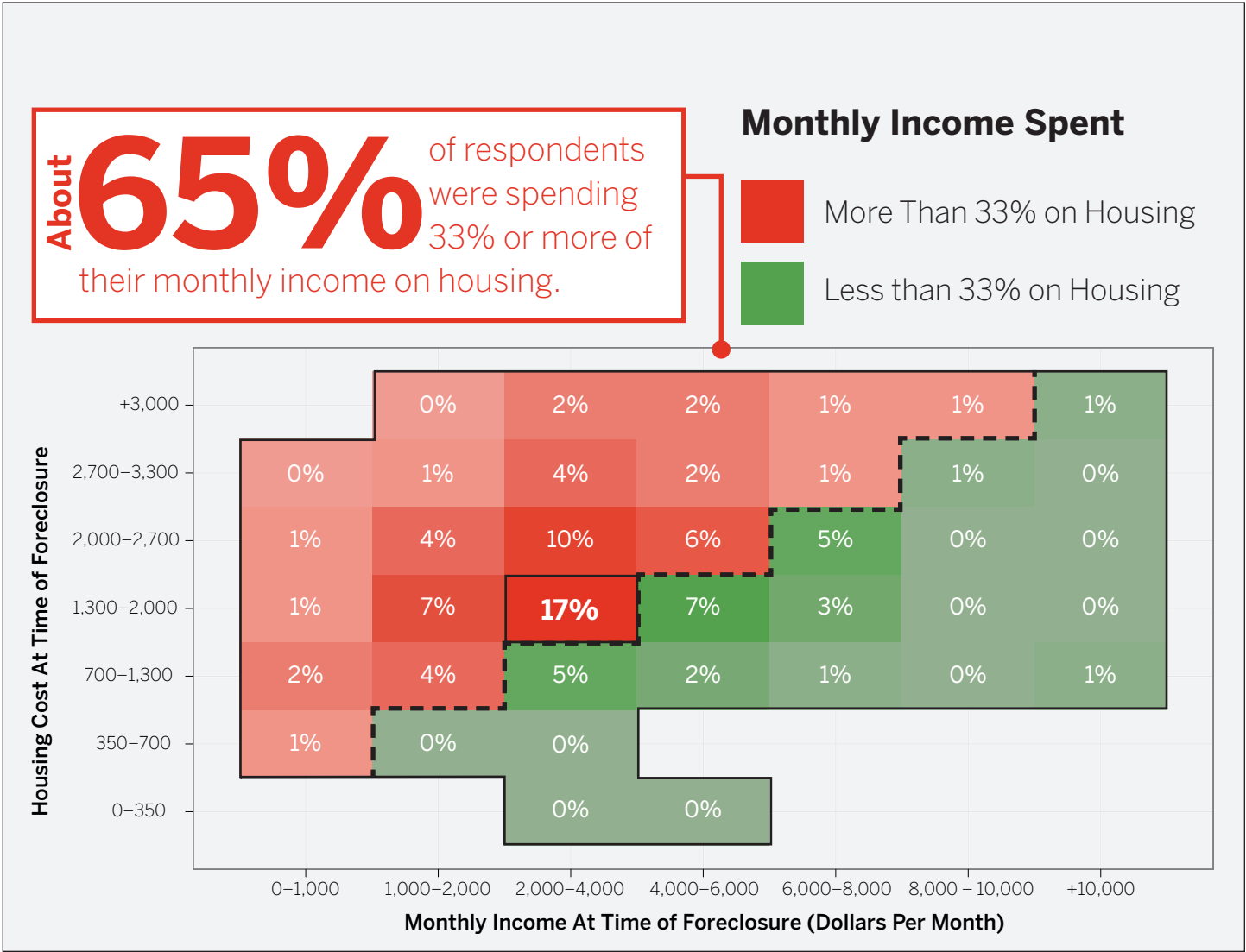


Figure 9

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

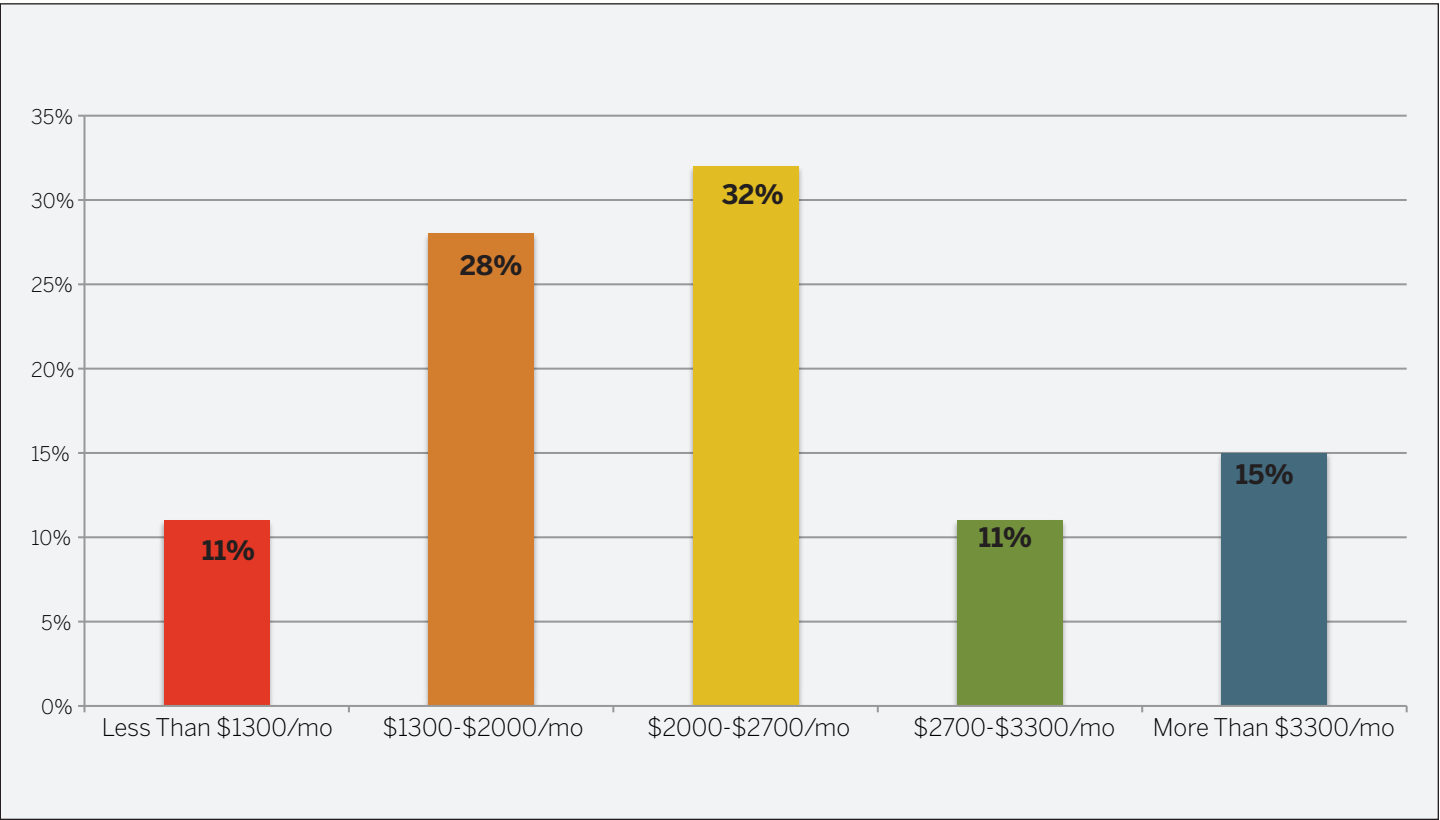
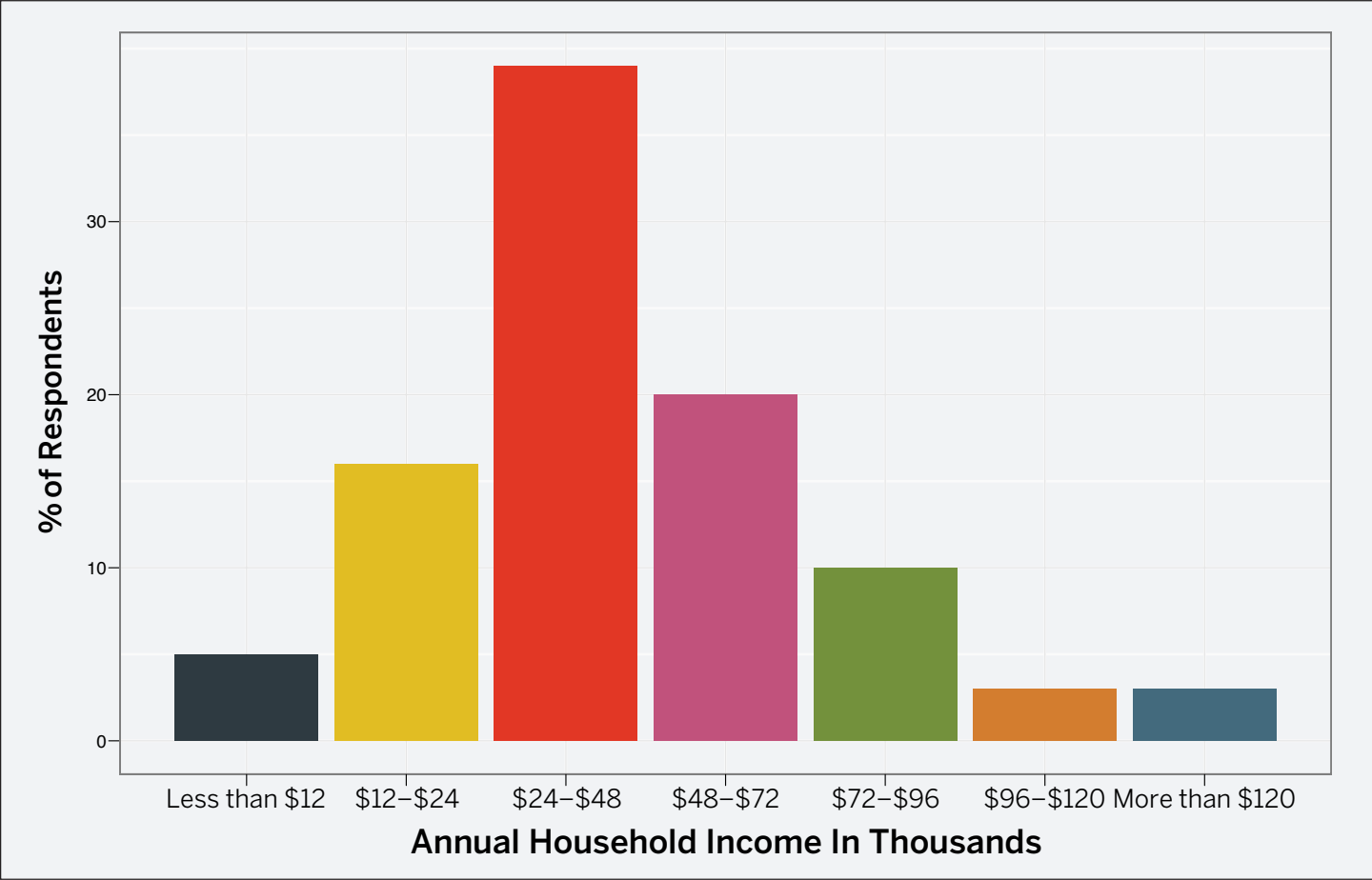


Figure 10

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

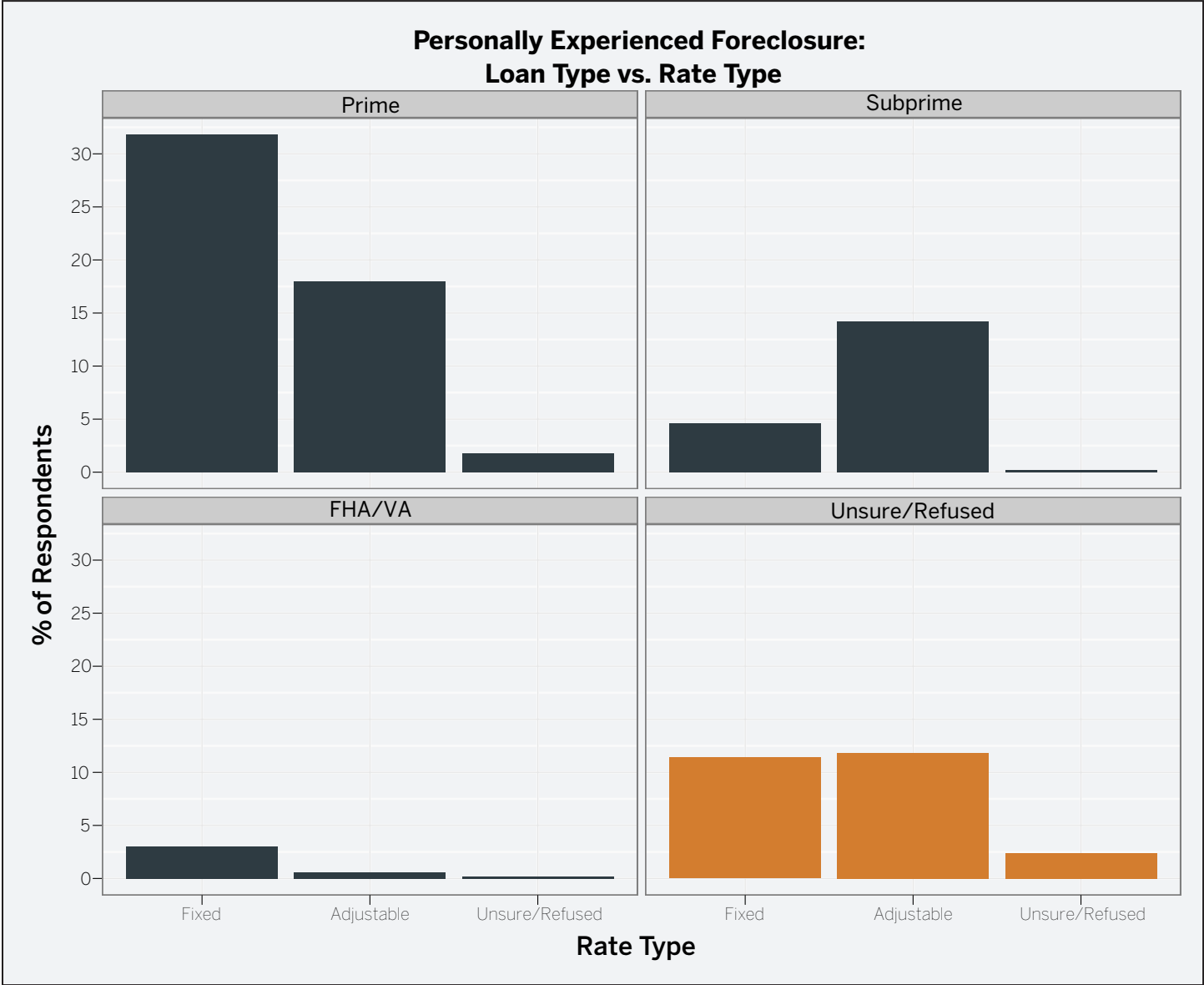


Figure 12

Uninformed Owners:

A sizeable 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).

Findings - Personal Interviews

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?

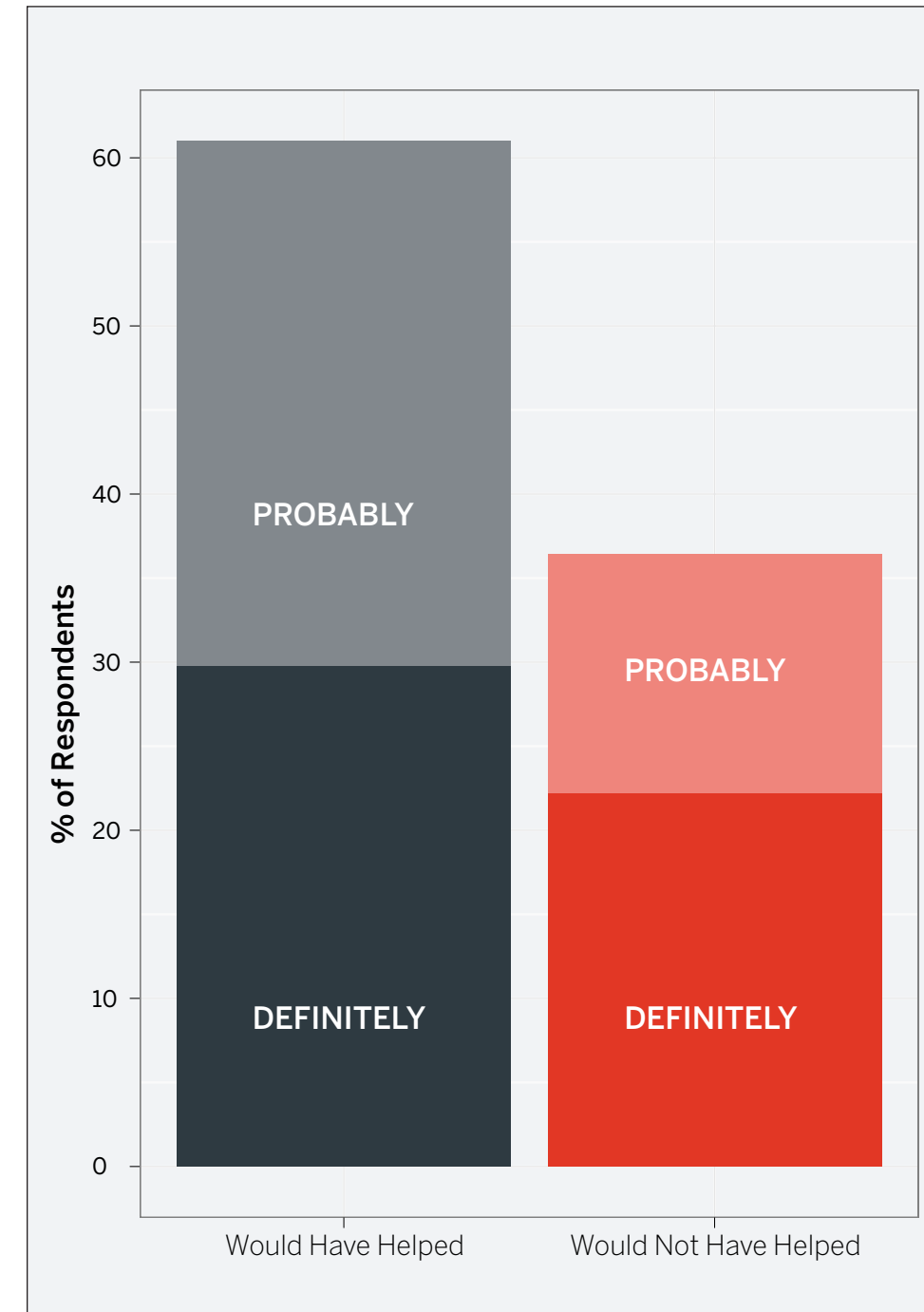


Figure 13

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.

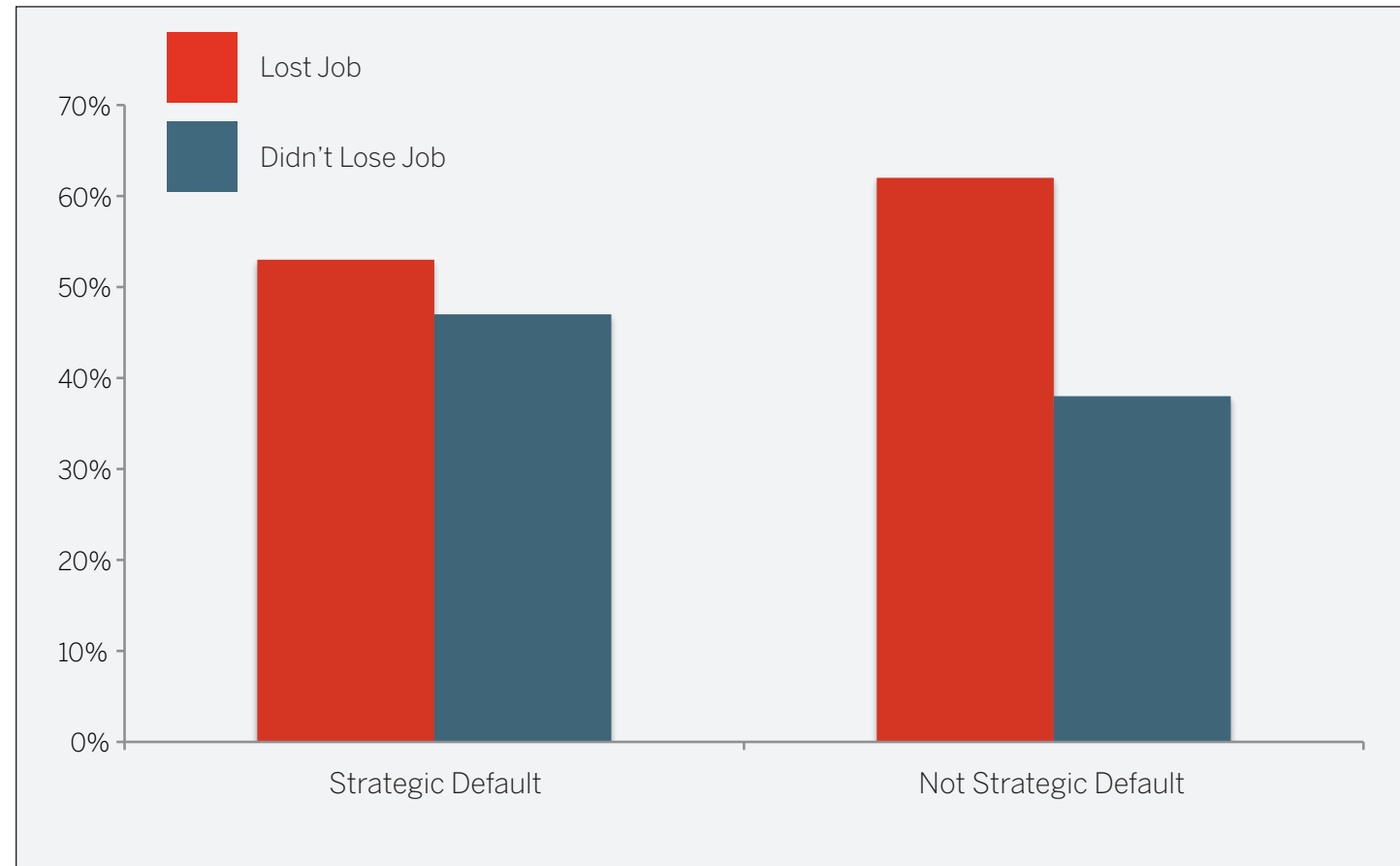


Figure 14

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.

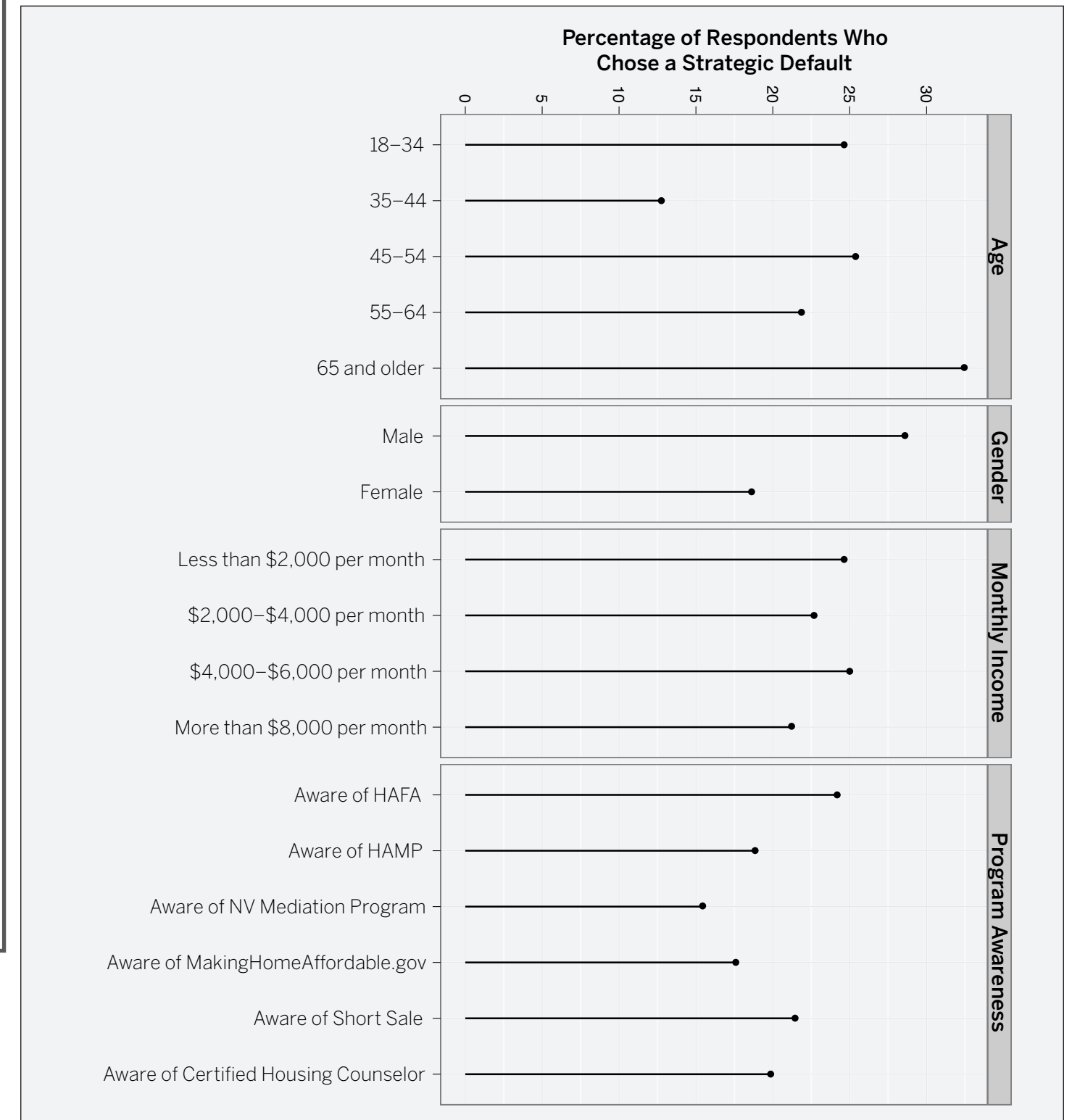


Figure 15

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?

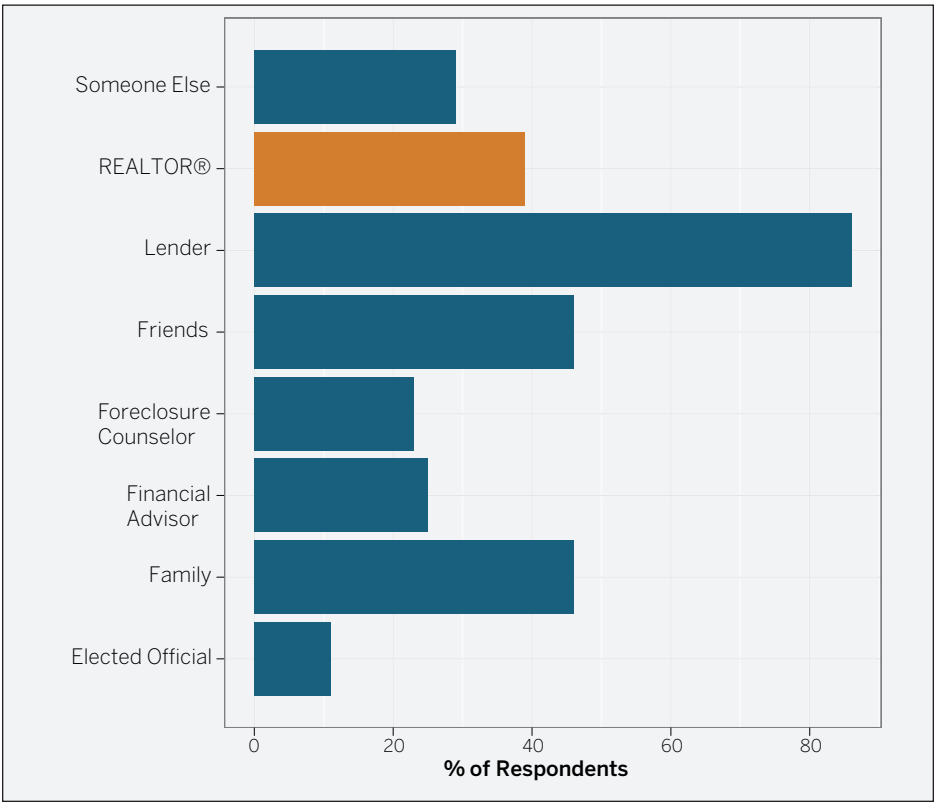


Figure 16

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?

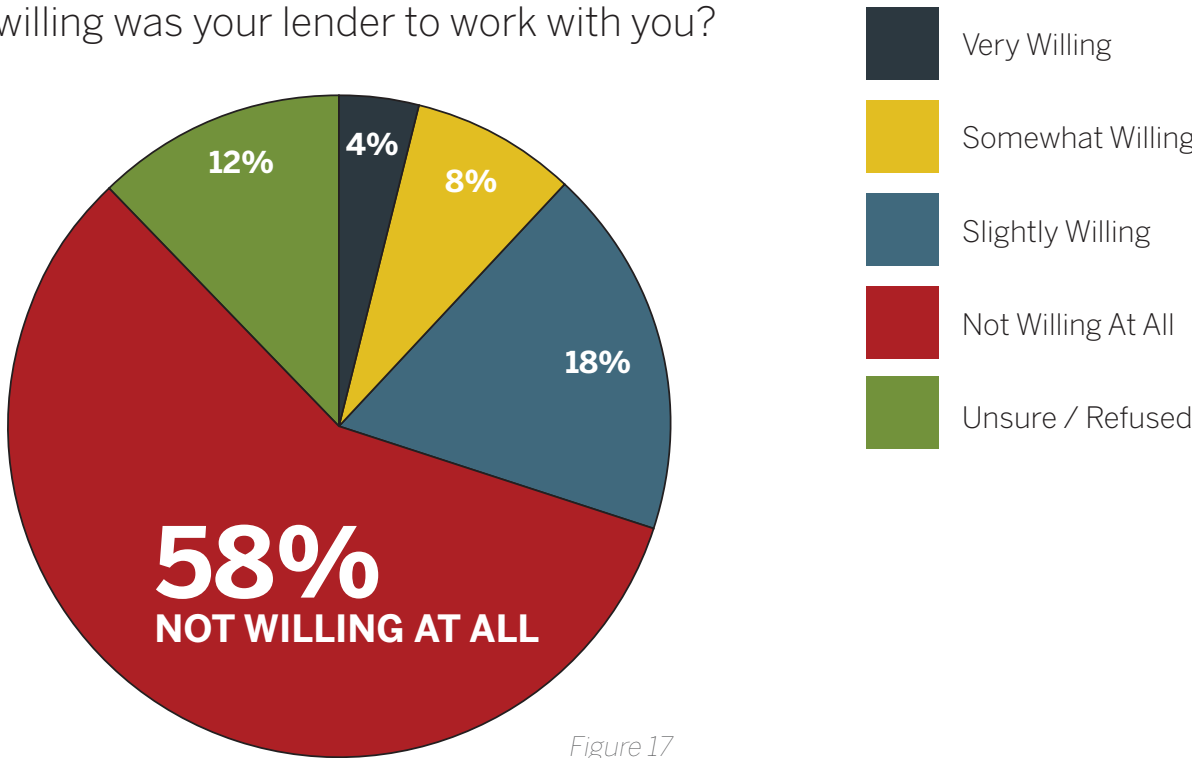


Figure 17

TIME TO FORECLOSURE FROM FIRST NOTICE OF DEFAULT

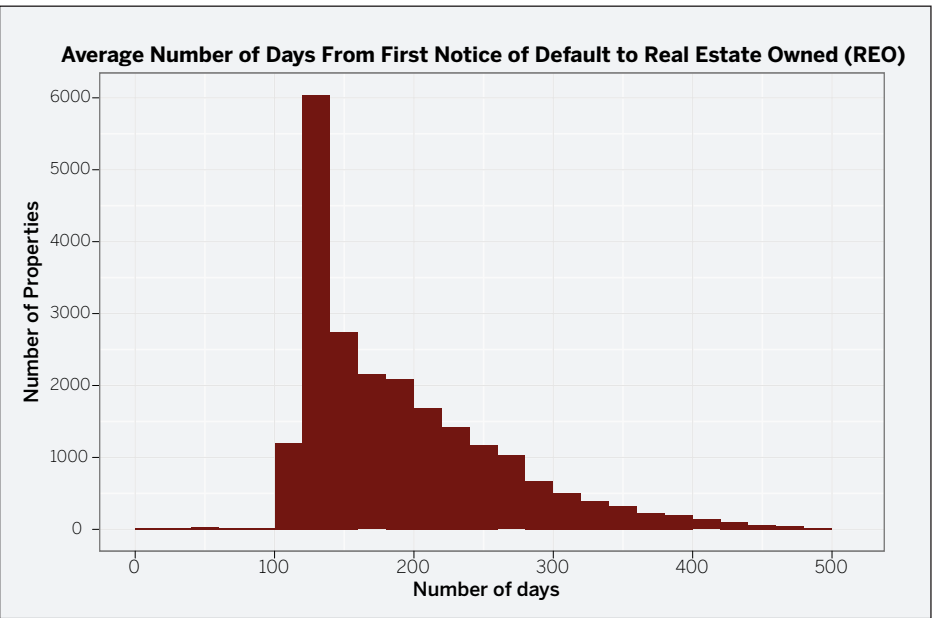


Figure 18

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

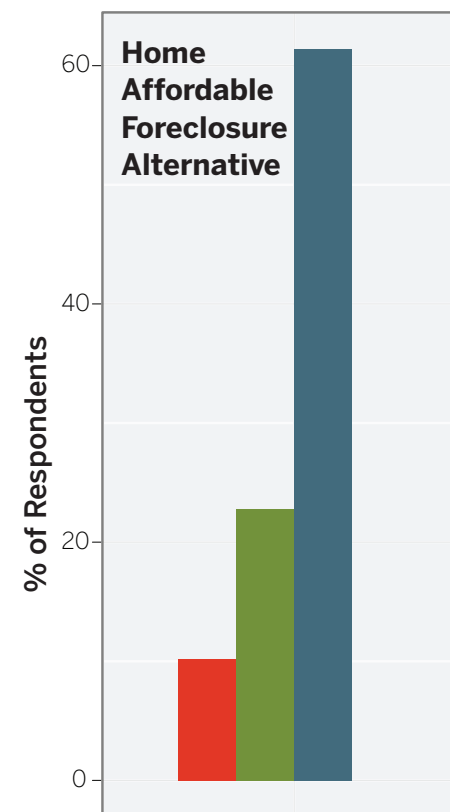
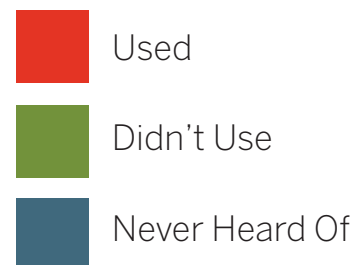


Figure 19.1

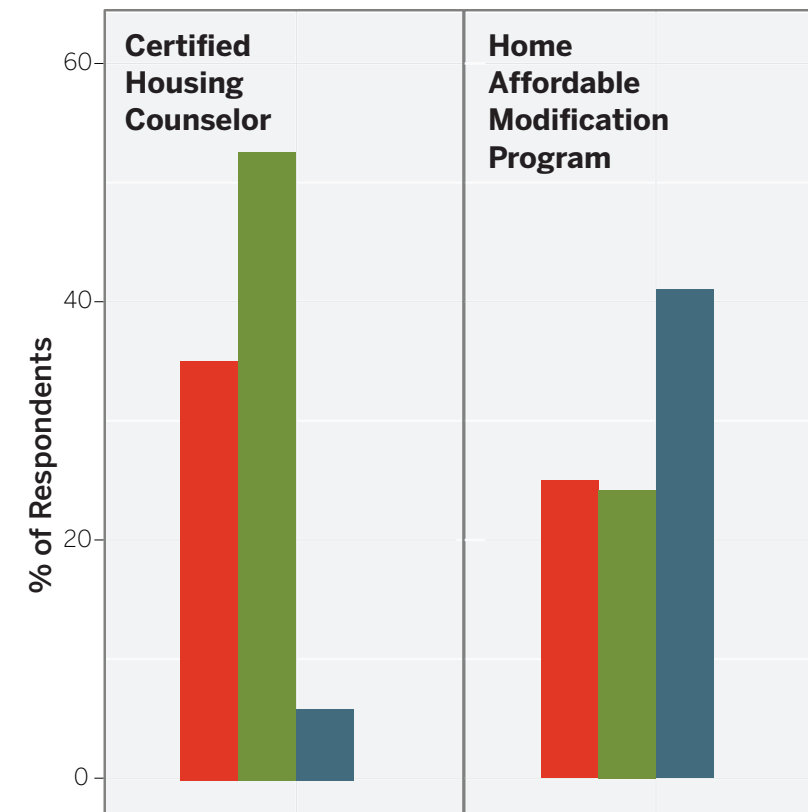


Figure 19.2

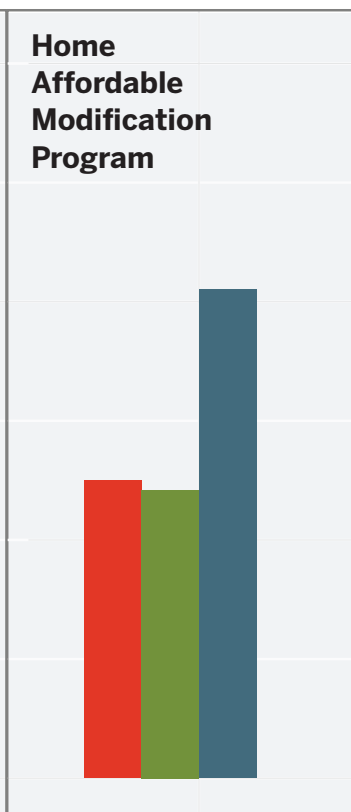
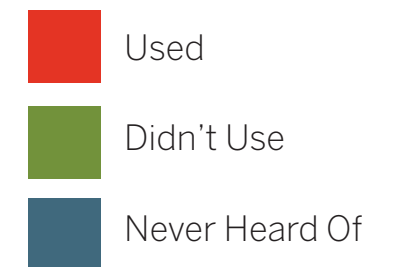


Figure 19.3

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.

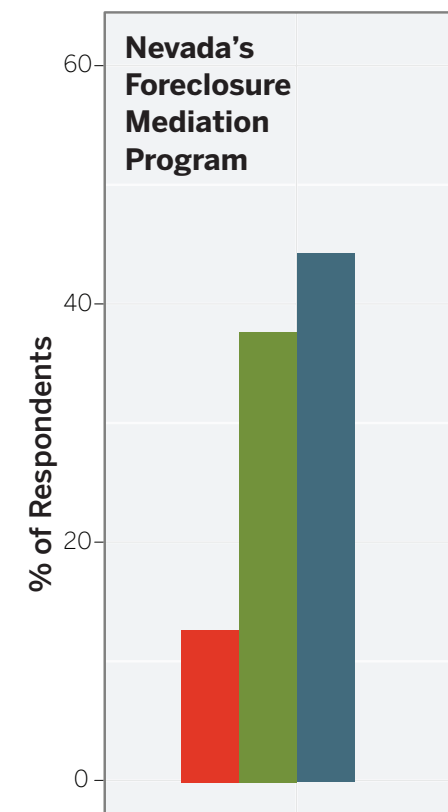


Figure 19.4

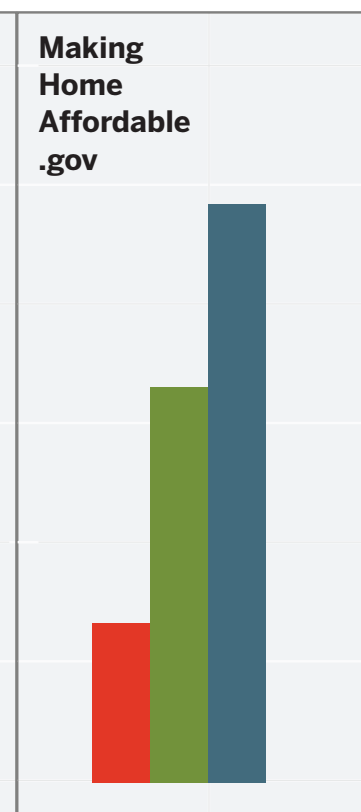


Figure 19.5

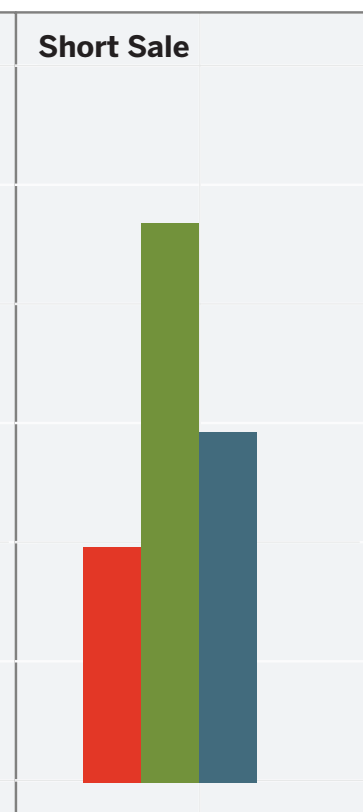


Figure 19.6

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?

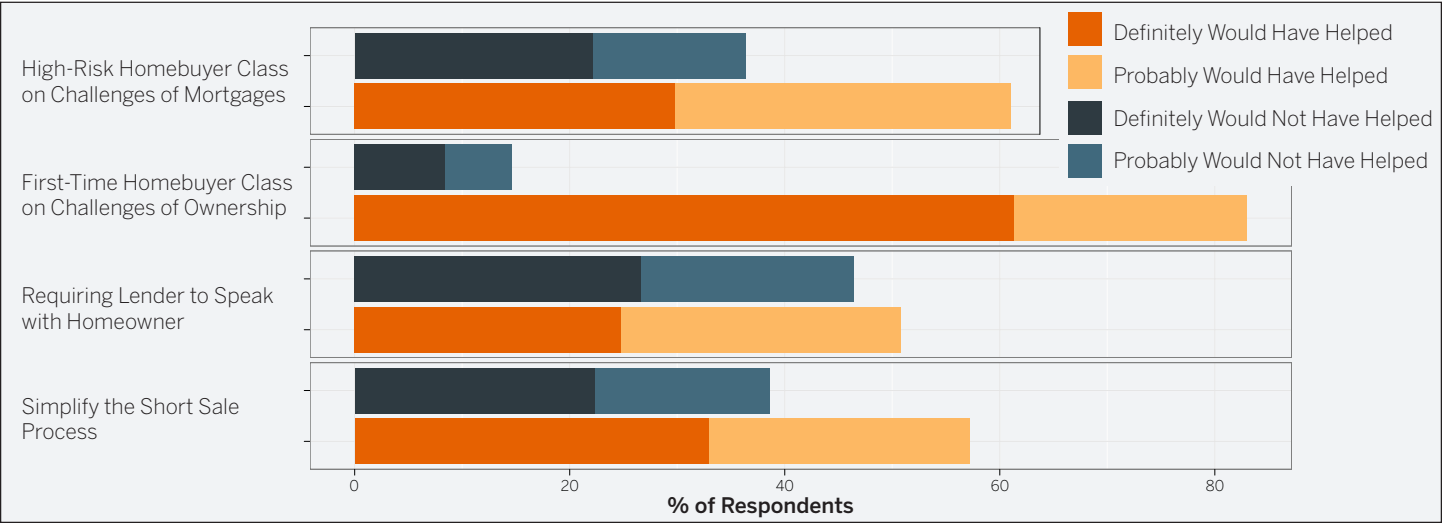


Figure 20

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

Solutions

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.** Servicer's 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

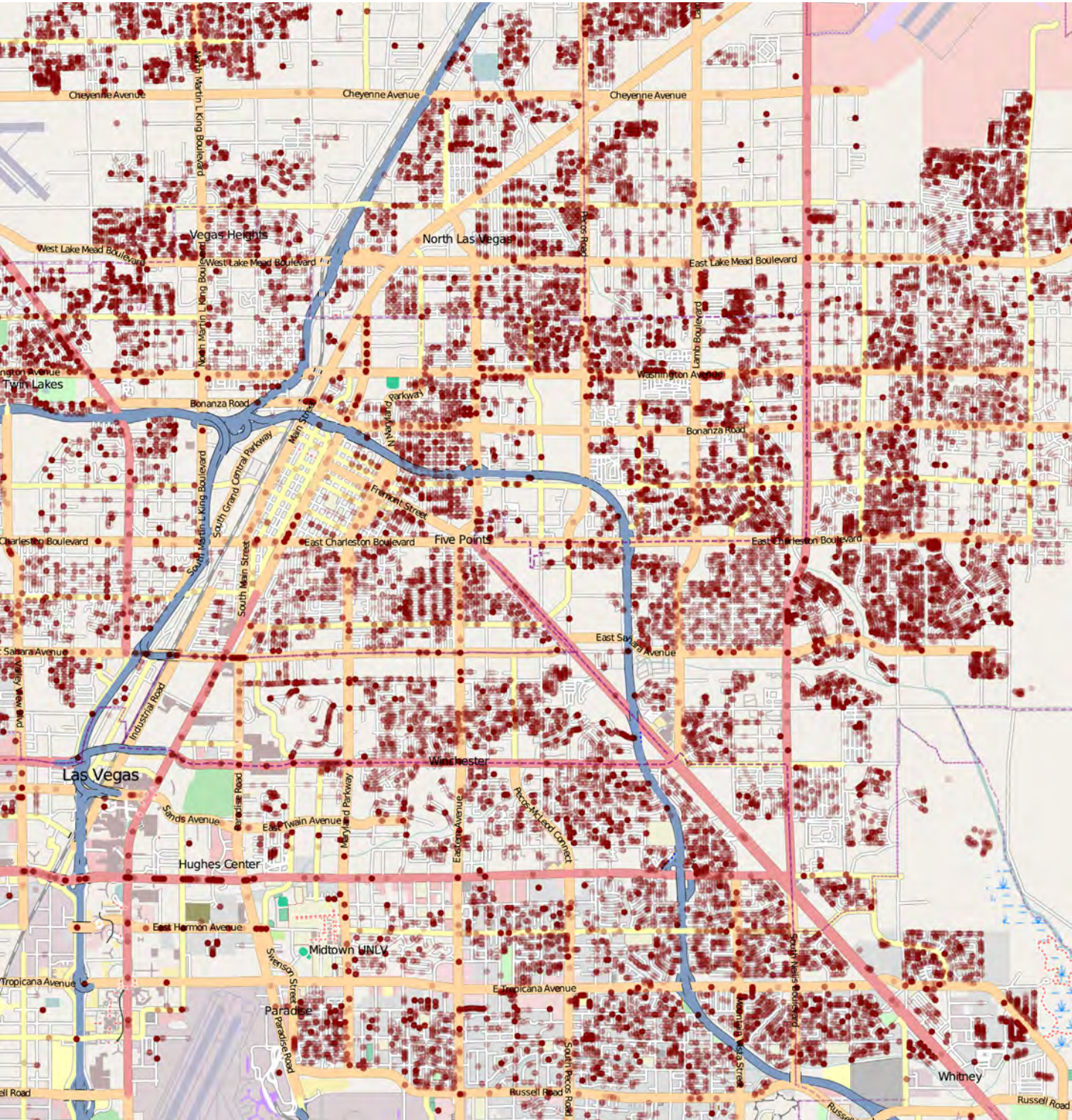
BASE	500
REP	21%
DEM	22%
OTHER	56%

GENDER

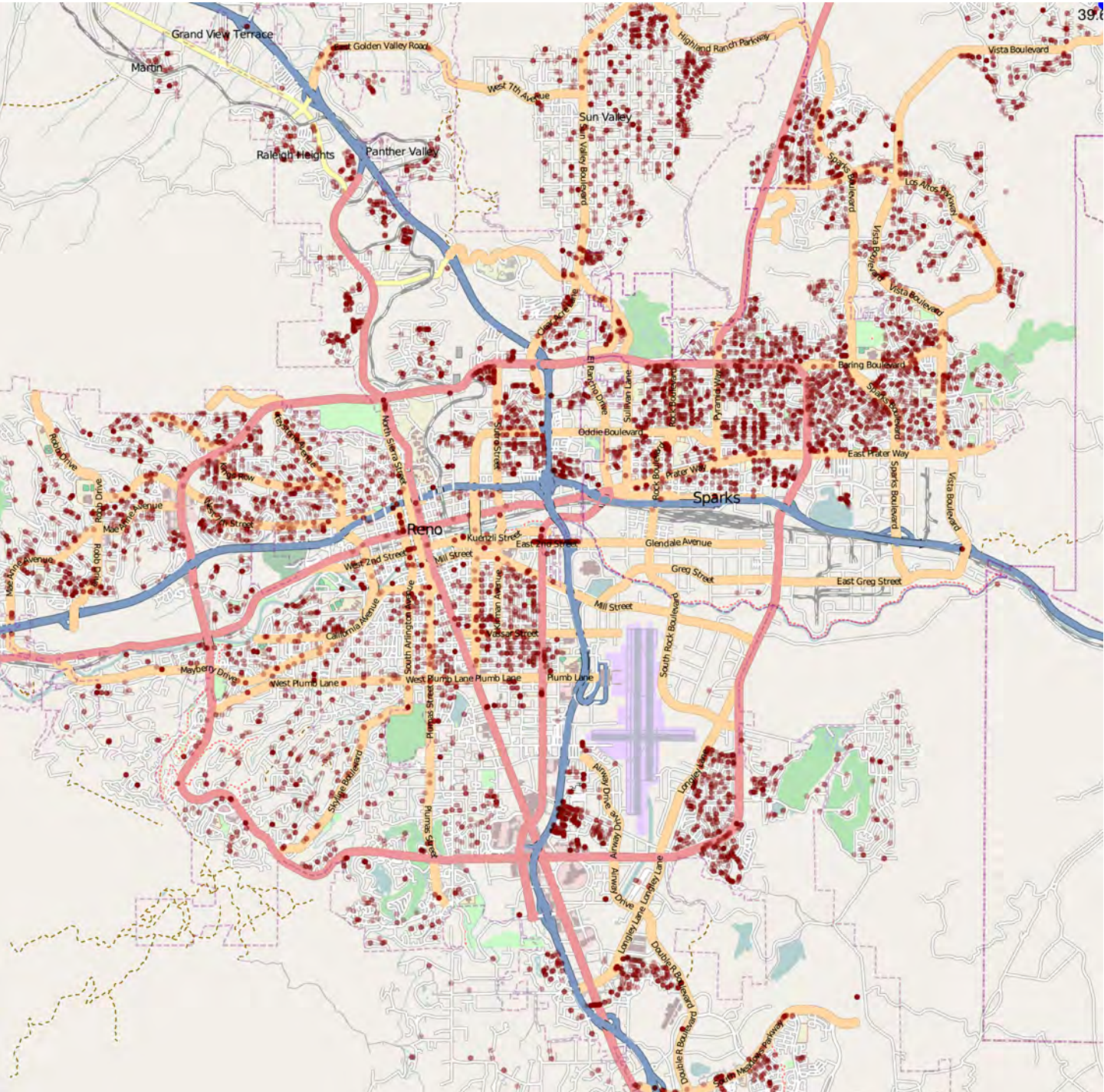
BASE	500
MALE	45%
FEMALE	55%

Appendices

North Las Vegas & Surrounding Foreclosures (Point)

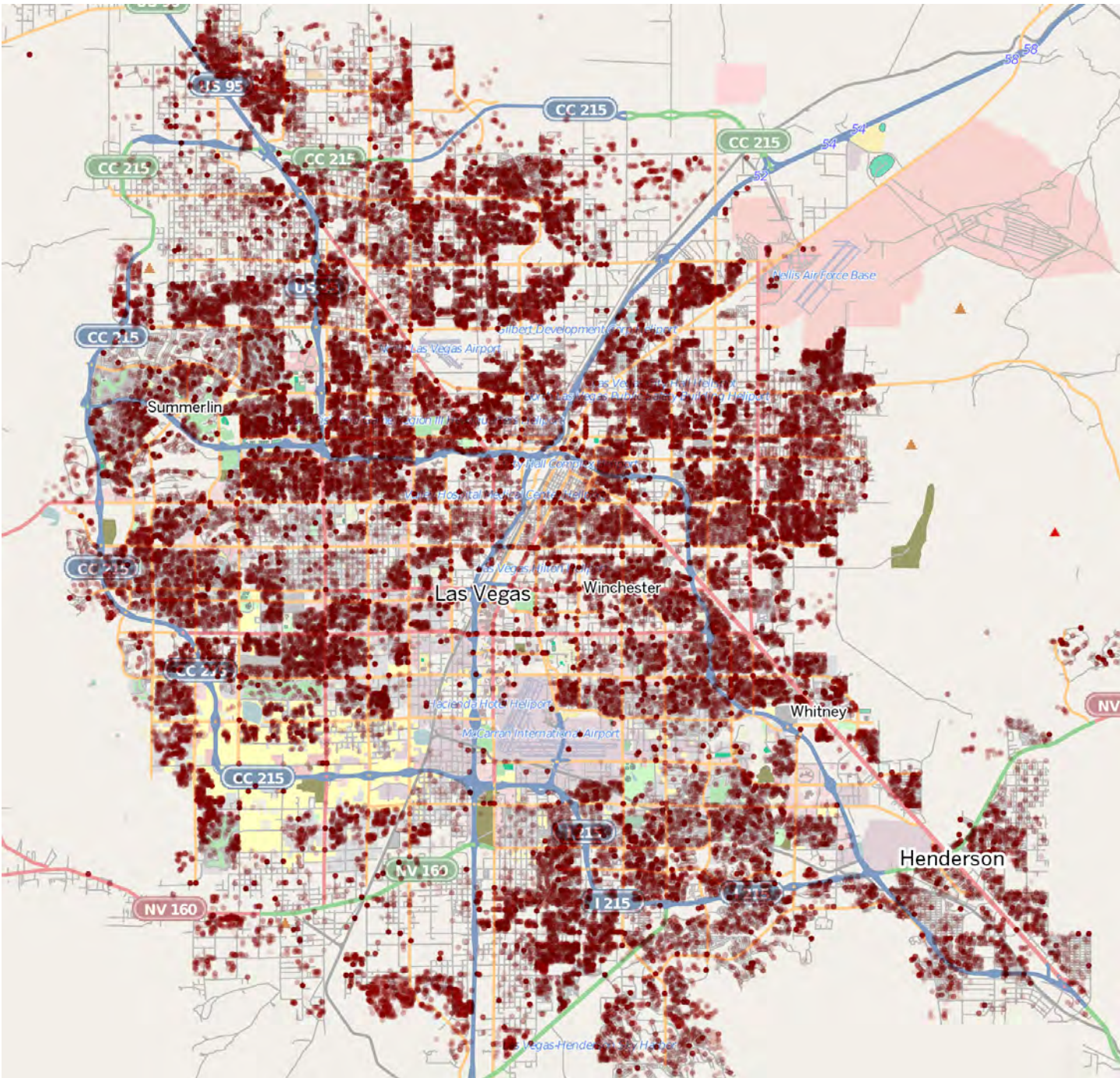


Reno Sparks Foreclosures (Point)

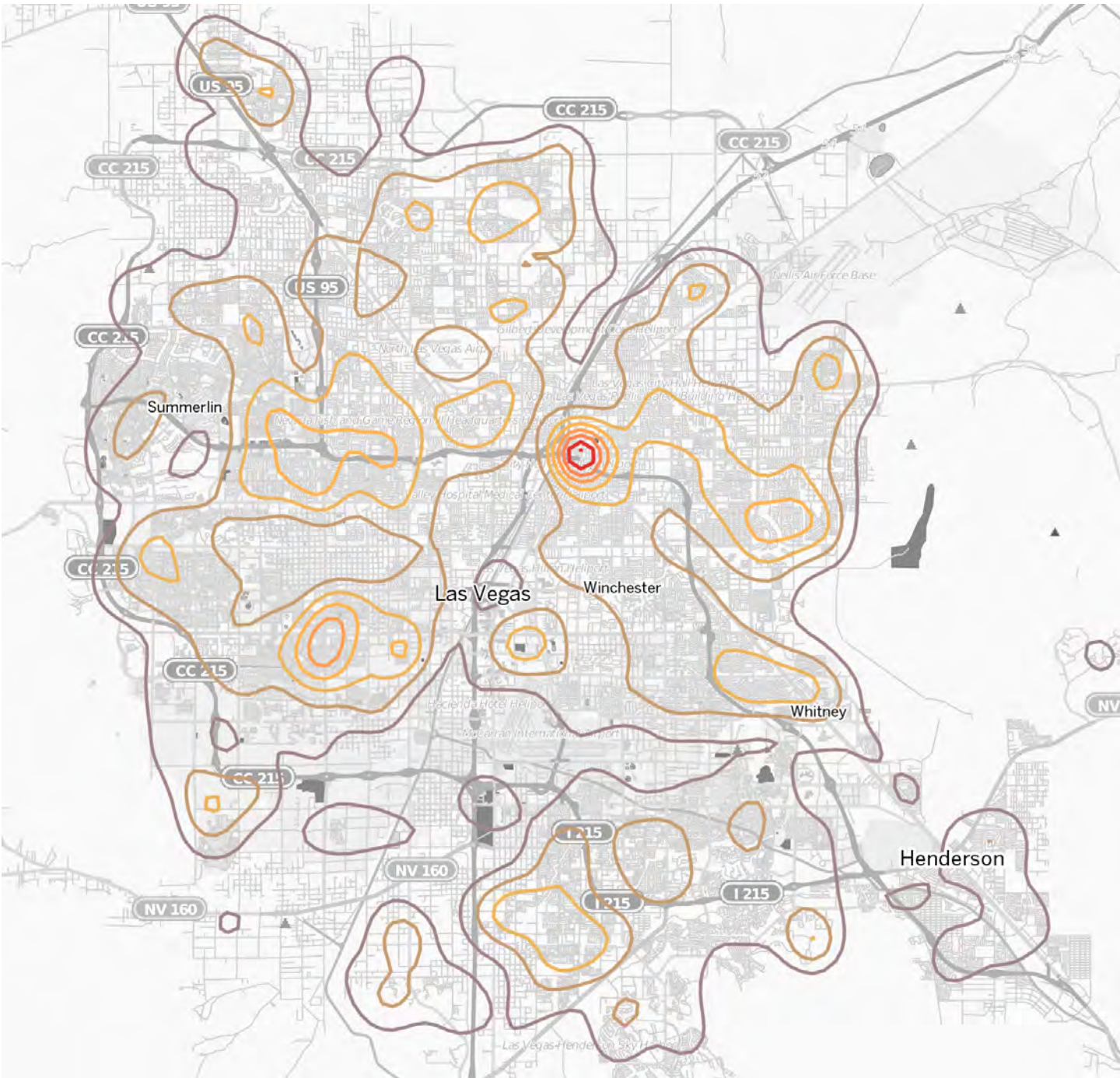


Appendices

Las Vegas & Henderson Foreclosures (Point)



Las Vegas & Henderson Foreclosures (Contour)



Nevada Association of REALTORS®

760 Margrave Drive, Suite 200
Reno, NV 89502
775.829.5911

www.NVAR.org

