

A BRIEF FROM

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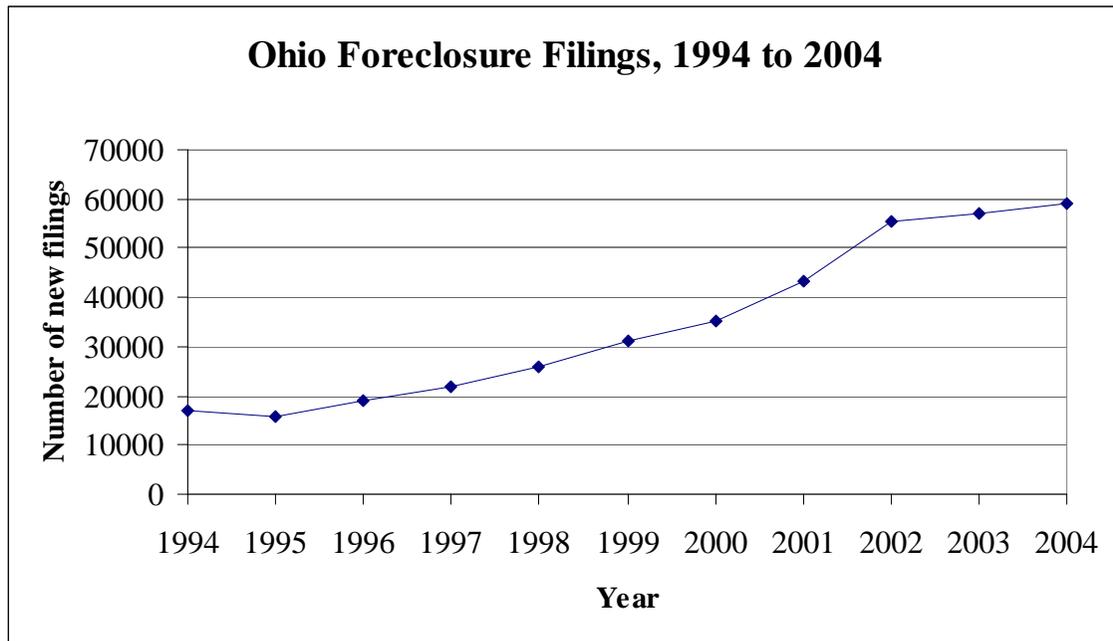
FORECLOSURE GROWTH IN OHIO: A BRIEF UPDATE

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Foreclosure Growth in Ohio: A Brief Update

Ohio foreclosures continued to rise in 2004. Overall, according to data reported by common pleas court judges across the state to the Ohio Supreme Court, there were 59,007 new foreclosure filings, an increase of 3.4 percent from 2003.¹ The increase followed a similar gain of 3.3 percent in 2003, but comes after years of larger increases. Overall, filings have more than doubled since 1998, and more than tripled since 1994. In short, growth has leveled off, but at an extremely high level. Figure 1 shows how foreclosure filings have increased in the state since 1994:



Source: Ohio Supreme Court

Foreclosures are a state-wide problem. During 2004, 50 of Ohio's 88 counties saw an increase in the number of filings. Despite a 5 percent decline in filings from 2003,

¹ Data in this report come from *The 2004 Ohio Courts Summary* published by the Ohio Supreme Court, <http://www.sconet.state.oh.us/publications/annrep/04OCS/default.asp>, accessed June 21, 2005. The Ohio Supreme Court's reporting of foreclosure filings includes an unspecified number of non-mortgage foreclosure cases, including delinquent tax foreclosures and others. It also includes double filings that occur if bankruptcy interrupts the process, or if a lender uses the threat of foreclosure as a collection mechanism several times against one borrower. Non-mortgage filings and double-filings have not been eliminated from the data. All data in this report are for foreclosure filings. Not all filings lead to actual foreclosures, in which borrowers lose title to their property. On the other hand, filing statistics do not cover all cases in which homeowners lose their property, such as cases in which they give the title back to the lender and walk away from their home.

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Montgomery County (Dayton) topped the list of counties with the greatest number of foreclosures per person for the second year in a row.² Other urban counties such as Cuyahoga (Cleveland), Lucas (Toledo) and Summit (Akron) also are among the top 10. However, the counties where foreclosures are most prevalent also include three southwestern Ohio counties, Highland, Brown and Clinton, each with fewer than 50,000 people. Table 1 shows the top 10 counties in Ohio in per capita foreclosure filings. In all, the list illustrates that this is a nagging problem in many of these areas, as 6 of the 10 were on the list a year earlier. One foreclosure was filed for every 137 people in Montgomery County in 2004, as well as one for every 139 people in Cuyahoga County and one for every 153 people in Highland County:

County	2004 Population	2004 Filings	Population/Filing
Montgomery	550,063	4,002	137.4
Cuyahoga	1,351,009	9,751	138.6
Highland	42,610	279	152.7
Clark	142,316	894	159.2
Brown	44,239	277	159.7
Lucas	450,632	2,766	162.9
Summit	547,314	3,358	163.0
Marion	66,310	395	167.9
Ashtabula	103,152	610	169.1
Clinton	42,280	241	175.4

Source: Ohio Supreme Court, U.S. Census Bureau

Though current data are not available on the number of households in all Ohio counties, the Census Bureau has estimated how many households there were in 2003 state-wide and in the largest counties.³ Based on the Census estimate, in 2004 there was one Ohio foreclosure filing for every 76 households.

² This study reports foreclosure filings in relation to county population. In previous reports, Policy Matters Ohio reported filings in relation to the number of households in each county. However, the number of households for all Ohio counties was last reported for the year 2000, and those numbers significantly understate the number of households in fast-growing counties, while overstating the number in those that are losing population. As a result, we have used the Census Bureau's annual population estimates in this report, comparing them with previous Census population estimates. The 2003 county rankings of foreclosure rates may differ slightly from those reported earlier; Montgomery County, for instance, ranked 2nd in 2003 according to the household data, but 1st when population is used. Also, overall population figures include the institutional population, such as people living in prisons, which may affect the county rankings. Madison County, for example, would show a higher foreclosure rate per person if its prison population were excluded.

³ U.S. Census Bureau, 2003 American Community Survey Summary Tables, P007. Households, http://factfinder.census.gov/servlet/DTSUBJECTSHOWTABLESServlet?_ts=137437458470 accessed June 21, 2005. The American Community Survey data is limited to the household population and excludes the population living in institutions, college dormitories, and other group quarters.

The counties that experienced the greatest relative growth in foreclosure filings in 2004 included two from Northwest Ohio, two from near Columbus, and four from Southeastern Ohio. None are among the big urban counties, and none are among those with the highest rates of foreclosures per person.⁴ Three of the Southeastern counties – Meigs, Monroe and Noble – are among the smallest in the state, so a relatively small increase in the absolute number of filings produces a large percentage increase. However, filings in Monroe County have risen in each of the last three years, making it the county in the state with the fastest growth in foreclosures over that time—from 10 in 2001 to 34 in 2004. Table 2 shows the Ohio counties with the greatest growth in foreclosure filings between 2003 and 2004:⁵

Table 2 Ohio Counties with the Greatest Growth in Foreclosure Filings, 2003-2004			
County	2003 Filings	2004 Filings	Change 2003-2004
Meigs	62	86	39%
Holmes	78	108	38%
Wood	283	369	30%
Crawford	181	235	30%
Henry	79	100	27%
Monroe	27	34	26%
Fairfield	505	621	23%
Jefferson	213	259	22%
Madison	158	192	22%
Noble	24	29	21%

Source: Ohio Supreme Court

The state’s 10 largest counties accounted for 63 percent of foreclosure filings in 2004, while they contain 53 percent of Ohio’s population. Led by Montgomery and Cuyahoga counties, they had one filing for every 162.8 persons, compared to one for every 194.2 statewide. Moreover, no big county escaped the problem. Eight of the fifteen counties with the highest foreclosure rates are urban counties.

Overall, foreclosure filings in the big counties rose by 4.1 percent in 2004, a tad higher than in the state as a whole. Cuyahoga County led the growth among the big counties, with a 12 percent increase, followed by Hamilton, at 11 percent. Foreclosures fell slightly again in Franklin County for a second year in a row. Table 3 shows 2004 foreclosure filings in Ohio’s 10 largest counties and increases since 2001:

⁴ Crawford County, ranked fourth in growth between 2003 and 2004, ranked 22nd in foreclosure filings per capita in 2004.

⁵ For additional historical data on foreclosure filings by county, see Policy Matters Ohio’s 2002 report, *Home Insecurity: Foreclosure Growth in Ohio*, by Kate Sopko, Amy Hanauer, Kent Smith and Abeera Riaz-Sheikh, available at <http://www.policymattersohio.org/lendingintro.htm> County data for 1994 is included in Table 4 of this report.

County	2001 Filings	2004 Filings	2001-2004 Change	2004 Population / Foreclosure
Butler	1,370	1,952	42%	177.5
Cuyahoga	6,959	9,751	40%	138.6
Franklin	5,077	5,940	17%	183.3
Hamilton	3,080	4,528	47%	179.9
Lorain	1,111	1,510	36%	194.9
Lucas	1,807	2,766	53%	162.9
Mahoning	1,012	1,367	35%	182.7
Montgomery	3,152	4,002	27%	137.4
Stark	1,570	2,129	36%	179.1
Summit	2,525	3,358	33%	163
Totals	27,663	37,303	35%	162.8

Source: Ohio Supreme Court, U.S. Census Bureau

Growth in foreclosure filings slowed in 2004 in Delaware County, Ohio's fastest-growing county, and the number of filings fell in Medina and Morrow counties. However, it continued at a rapid clip in some other growing counties, such as Fairfield.

Over the past decade, foreclosures have grown dramatically nearly everywhere in Ohio; the number of filings at least doubled in 81 of the state's 88 counties. In 53 counties, the number of foreclosure filings at least quadrupled during that time period. Much of this growth took place during the 1990s economic expansion.

While tracing the reasons for the continuing high level of new foreclosures is difficult, a Policy Matters Ohio report last year cited Ohio's weak economy, predatory lending and the growth of subprime lending as factors.⁶ In a 2004 survey of Ohio county sheriffs, 31 of the 57 departments that responded ranked predatory lending first among factors contributing to foreclosures. Job loss and a weak economy came in second. There is little reason to believe that these factors, including the growth of subprime lending, have changed significantly. Further research should examine the role in Ohio's foreclosure problem of interest-only mortgages and other creative financing that allows borrowers to make lower payments temporarily.⁷ Though a state Predatory Lending Study Committee

⁶ Zach Schiller, Whitney Meredith and Pam Rosado, *Home Security 2004: Foreclosure Growth in Ohio*, Policy Matters Ohio, August, 2004. Previous Policy Matters reports have included data and analysis on sheriff sales in Ohio, which this brief does not.

⁷ For instance, see "S&P, Citing Option ARMs, Sees Growing Risks for Home Loans," by James R. Hagery, *The Wall Street Journal*, June 22, 2005, p. A2. Additional research could also review the impact in Ohio of loss mitigation practices lenders have adopted to identify delinquent borrowers who are likely to be at high risk of losing their homes.

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completed its report two years ago, the Ohio General Assembly has not enacted protective legislation since then.

Policy Matters report *Home Insecurity 2004: Foreclosure Growth in Ohio* provides more detail and historical background on the issue. Tables 4 and 5 following this page show recent and 1994 data on foreclosure filings for all Ohio counties, including rankings by growth rate and persons per foreclosure.

Foreclosure Growth in Ohio: A Brief Update

Counties	1994 Filings	2002 Filings	2003 Filings	2004 Filings	Change 2003-2004	Rank in Growth, 2003-2004	Change 1994-2004	Rank in Growth, 1994-2004
Adams	26	113	110	130	18%	11	400%	35
Allen	194	678	551	531	-4%	55	174%	76
Ashland	30	149	176	189	7%	32	530%	18
Ashtabula	128	531	587	610	4%	39	377%	41
Athens	15	110	118	120	2%	47	700%	5
Auglaize	51	159	153	150	-2%	52	194%	72
Belmont	51	161	173	143	-17%	82	180%	74
Brown	37	213	246	277	13%	20	649%	7
Butler	481	1,654	1,853	1,952	5%	37	306%	52
Carroll	25	120	137	125	-9%	72	400%	36
Champaign	52	219	221	183	-17%	81	252%	61
Clark	152	904	942	894	-5%	63	488%	22
Clermont	259	747	776	796	3%	43	207%	66
Clinton	37	229	217	241	11%	23	551%	15
Columbiana	63	501	599	599	0%	50	851%	3
Coshocton	38	150	143	166	16%	15	337%	47
Crawford	34	215	181	235	30%	4	591%	11
Cuyahoga	4,335	8,987	8,686	9,751	12%	21	125%	79
Darke	50	189	203	176	-13%	78	252%	60
Defiance	24	115	133	123	-8%	68	413%	34
Delaware	138	290	402	410	2%	46	197%	68
Erie	64	286	306	229	-25%	87	258%	59
Fairfield	99	449	505	621	23%	7	527%	19
Fayette	23	116	137	128	-7%	67	457%	28
Franklin	1,552	6,104	6,072	5,940	-2%	53	283%	56
Fulton	9	129	135	97	-28%	88	978%	2
Gallia	43	71	79	61	-23%	86	42%	86
Geauga	72	204	228	219	-4%	56	204%	67
Greene	198	513	549	584	6%	34	195%	71
Guernsey	54	158	208	196	-6%	66	263%	58
Hamilton	1,564	4,117	4,076	4,528	11%	22	190%	73
Hancock	38	185	200	228	14%	18	500%	20
Hardin	29	171	152	160	5%	38	452%	29
Harrison	45	57	53	56	6%	36	24%	87
Henry	23	76	79	100	27%	5	335%	49
Highland	40	242	254	279	10%	27	598%	9
Hocking	36	108	131	113	-14%	79	214%	65
Holmes	106	72	78	108	38%	2	2%	88
Huron	43	204	248	224	-10%	75	421%	32
Jackson	54	183	185	148	-20%	84	174%	75
Jefferson	39	210	213	259	22%	8	564%	14
Knox	120	222	235	254	8%	28	112%	81
Lake	328	788	783	864	10%	25	163%	77
Lawrence	36	169	182	174	-4%	59	383%	39
Licking	123	674	781	798	2%	45	549%	16

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Table 4 New Foreclosure Filings by Ohio County, 1994 and 2002-2004								
Counties	1994 Filings	2002 Filings	2003 Filings	2004 Filings	Change 2003-2004	Rank in Growth, 2003-2004	Change 1994-2004	Rank in Growth, 1994-2004
Logan	133	228	224	242	8%	29	82%	83
Lorain	475	1,442	1,465	1,510	3%	42	218%	64
Lucas	932	2,509	2,561	2,766	8%	30	197%	69
Madison	30	156	158	192	22%	9	540%	17
Mahoning	327	1,301	1,443	1,367	-5%	65	318%	51
Marion	80	399	414	395	-5%	60	394%	38
Medina	112	451	581	536	-8%	69	379%	40
Meigs	20	63	62	86	39%	1	330%	50
Mercer	19	115	96	86	-10%	76	353%	45
Miami	71	402	423	406	-4%	57	472%	24
Monroe	5	23	27	34	26%	6	580%	13
Montgomery	1,028	3,881	4,220	4,002	-5%	64	289%	55
Morgan	14	32	39	31	-21%	85	121%	80
Morrow	114	177	233	192	-18%	83	68%	85
Muskingum	72	369	371	412	11%	24	472%	23
Noble	15	22	24	29	21%	10	93%	82
Ottawa	52	145	139	127	-9%	71	144%	78
Paulding	14	90	107	97	-9%	74	593%	10
Perry	37	159	192	161	-16%	80	335%	48
Pickaway	32	169	188	221	18%	14	591%	12
Pike	32	84	103	107	4%	40	234%	62
Portage	168	586	550	535	-3%	54	218%	63
Preble	129	256	248	228	-8%	70	77%	84
Putnam	27	67	84	80	-5%	61	196%	70
Richland	129	579	559	592	6%	35	359%	44
Ross	65	260	310	366	18%	12	463%	26
Sandusky	42	181	193	218	13%	19	419%	33
Scioto	59	288	289	277	-4%	58	369%	43
Seneca	21	194	221	197	-11%	77	838%	4
Shelby	42	175	219	208	-5%	62	395%	37
Stark	403	2,021	2,119	2,129	0%	48	428%	31
Summit	621	3,214	3,352	3,358	0%	49	441%	30
Trumbull	285	1,196	1,092	1,117	2%	44	292%	54
Tuscarawas	39	284	252	278	10%	26	613%	8
Union	40	151	189	223	18%	13	458%	27
Van Wert	18	122	120	139	16%	16	672%	6
Vinton	10	32	35	40	14%	17	300%	53
Warren	137	660	723	778	8%	31	468%	25
Washington	35	161	209	209	0%	51	497%	21
Wayne	62	254	272	292	7%	33	371%	42
Williams	8	111	153	139	-9%	73	1638%	1
Wood	99	270	283	369	30%	3	273%	57
Wyandot	15	53	65	67	3%	41	347%	46
Ohio	17,026	55,274	57,083	59,007	3%		247%	

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Table 5 Foreclosure Filing Rates in Ohio Counties, 2004				
Counties	2004 Population	2004 Filings	2004 Pop./Filing	2004 Rate Rank
Adams	28,398	130	218.4	36
Allen	106,873	531	201.3	27
Ashland	54,058	189	286.0	59
Ashtabula	103,152	610	169.1	9
Athens	63,187	120	526.6	88
Auglaize	46,938	150	312.9	66
Belmont	69,366	143	485.1	86
Brown	44,239	277	159.7	5
Butler	346,560	1,952	177.5	11
Carroll	29,576	125	236.6	43
Champaign	39,645	183	216.6	34
Clark	142,613	894	159.5	4
Clermont	188,614	796	237.0	44
Clinton	42,280	241	175.4	10
Columbiana	111,519	599	186.2	17
Coshocton	37,039	166	223.1	39
Crawford	45,961	235	195.6	22
Cuyahoga	1,351,009	9,751	138.6	2
Darke	53,260	176	302.6	64
Defiance	39,038	123	317.4	67
Delaware	142,503	410	347.6	75
Erie	78,992	229	344.9	74
Fairfield	136,063	621	219.1	37
Fayette	28,134	128	219.8	38
Franklin	1,088,971	5,940	183.3	16
Fulton	42,919	97	442.5	81
Gallia	31,256	61	512.4	87
Geauga	94,602	219	432.0	79
Greene	152,233	584	260.7	49
Guernsey	41,304	196	210.7	31
Hamilton	814,611	4,528	179.9	14
Hancock	73,602	228	322.8	68
Hardin	32,171	160	201.1	26
Harrison	15,938	56	284.6	58
Henry	29,382	100	293.8	62
Highland	42,610	279	152.7	3
Hocking	28,838	113	255.2	48
Holmes	41,273	108	382.2	77
Huron	60,404	224	269.7	52
Jackson	33,411	148	225.8	40
Jefferson	71,420	259	275.8	54
Knox	57,785	254	227.5	41
Lake	232,061	864	268.6	51
Lawrence	62,705	174	360.4	76
Licking	152,866	798	191.6	19

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Table 5				
Foreclosure Filing Rates in Ohio Counties, 2004				
Counties	2004 Population	2004 Filings	2004 Pop./Filing	2004 Rate Rank
Logan	46,616	242	192.6	20
Lorain	294,324	1,510	194.9	21
Lucas	450,632	2,766	162.9	6
Madison	41,113	192	214.1	32
Mahoning	249,755	1,367	182.7	15
Marion	66,310	395	167.9	8
Medina	165,077	536	308.0	65
Meigs	23,286	86	270.8	53
Mercer	41,075	86	477.6	83
Miami	100,797	406	248.3	47
Monroe	15,063	34	443.0	82
Montgomery	550,063	4,002	137.4	1
Morgan	14,941	31	482.0	84
Morrow	34,247	192	178.4	12
Muskingum	85,669	412	207.9	29
Noble	14,021	29	483.5	85
Ottawa	41,407	127	326.0	69
Paulding	19,486	97	200.9	25
Perry	35,040	161	217.6	35
Pickaway	53,656	221	242.8	45
Pike	28,294	107	264.4	50
Portage	154,764	535	289.3	60
Preble	42,553	228	186.6	18
Putnam	34,718	80	434.0	80
Richland	128,096	592	216.4	33
Ross	74,466	366	203.5	28
Sandusky	61,948	218	284.2	57
Scioto	77,046	277	278.1	55
Seneca	57,789	197	293.3	61
Shelby	48,517	208	233.3	42
Stark	381,229	2,129	179.1	13
Summit	547,314	3,358	163.0	7
Trumbull	220,486	1,117	197.4	23
Tuscarawas	92,221	278	331.7	70
Union	44,487	223	199.5	24
Van Wert	29,276	139	210.6	30
Vinton	13,352	40	333.8	71
Warren	189,276	778	243.3	46
Washington	62,577	209	299.4	63
Wayne	113,577	292	389.0	78
Williams	38,912	139	279.9	56
Wood	123,278	369	334.1	72
Wyandot	22,878	67	341.5	73
Ohio	11,459,011	59,007	194.2	



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