



## **The Ripple Effect:**

### **Home foreclosures hurt more than the borrowers**

The aggressive marketing of subprime loans has a ripple effect that reaches far beyond the families who receive these loans. Entire communities are hurt.

In 2009 alone, foreclosures will cause 69.5 million nearby homes to suffer price declines averaging \$7,200 per home and resulting in a \$502 billion total decline in property values. During the period 2009-2012, foreclosures will cost 92 million U.S. families some \$1.9 trillion in lower home values—an average of \$20,300 in lost wealth per household.

#### **Strategies for addressing foreclosure at the state level can include:**

- prohibiting homeownership lending practices that have negative penalties
- requiring the licensure of individual mortgage brokers and the identification of lenders on all delinquency and foreclosure actions
- expanding foreclosure deferment periods
- sponsoring legislation requiring mediation in foreclosures
- creating a moratorium on foreclosures
- enacting protections against predatory mortgage lending
- providing counseling and financial assistance

For more information on home foreclosures, visit <http://www.womeningovernment.org/familysuccess>