

METRICS

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In the Shadow Of Foreclosures

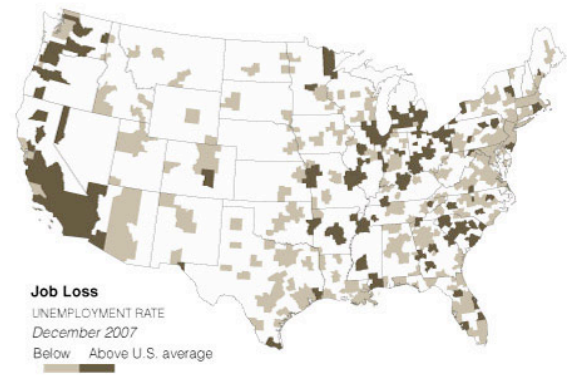
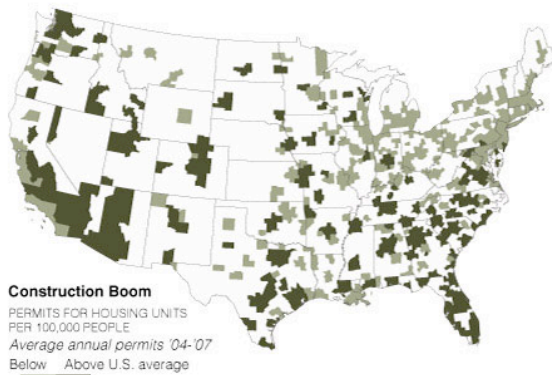
In the subprime mortgage squeeze, some regions are feeling the pain more acutely than others. Although many Southern metropolitan areas have high percentages of subprime mortgages, homeowners in those areas have largely been able to pay their bills, so subprime foreclosure rates are low.

Not so in the Rust Belt, where subprime mortgages are less common but foreclosure rates are sky-high, mostly a result of rising unemployment.

And overbuilding in regions of Florida, California and other states with housing bubbles lured overeager residents to become speculators, buying up several homes with the expectation that their values would rise. Getting subprime loans was all too easy.

But paying the loans as housing prices fall is all too hard, and many economists believe that foreclosures will continue to rise.

"The collapse will affect other markets, like New York, Boston and D.C.," said Dean Baker, co-director of the Center for Economic and Policy Research. "Suburban areas near those cities are already seeing prices plunge."



Sources: First American CoreLogic, LoanPerformance; Bureau of Labor Statistics; Census Bureau

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