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Publication Date

2014-05-08



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UNDERWATER AMERICA

HOW THE SO-CALLED
HOUSING “RECOVERY”
IS BYPASSING MANY
AMERICAN COMMUNITIES



This report is published by the
Haas Institute for a Fair and Inclusive Society
at the University of California, Berkeley

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The Haas Institute thanks the Ford Foundation, the Evelyn and Walter Haas, Jr. Fund and the W.K. Kellogg Foundation for support in making this report possible.

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Acknowledgments

The authors gratefully acknowledge **Rachel Atkins**, a graduate student at The New School, for the data analysis of underwater mortgages in this report; **Americans for Financial Reform** and its partner organizations for the data analysis of foreclosure trends published and provided for this report; **Chris Huang** at the Center for Popular Democracy and **Alison Miller**, a graduate student at The New School, and **Samir Gambhir** at the Haas Institute for their assistance with maps; and **Dan Immergluck**, Professor of City and Regional Planning at the Georgia Institute of Technology, for his help on this report.

This report was supported in part by a grant from the Nathan Cummings Foundation. The opinions, conclusions and recommendations expressed in this report at those of the authors and do not necessarily reflect those of the Nathan Cummings Foundation.



UNDERWATER AMERICA

HOW THE SO-CALLED HOUSING “RECOVERY” IS BYPASSING MANY AMERICAN COMMUNITIES

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LET'S DO THE NUMBERS

HARDEST-HIT CITIES

In 57 cities, at least 30% of all mortgaged homes are still underwater.

Nearly 1 in 10 Americans live in the 100 hardest-hit cities (28.7 million).

34% of the 100 hardest-hit cities have median household incomes below \$40,000.

The 100 hardest-hit cities are in 27 states.

HARDEST-HIT NEIGHBORHOODS

In 151 ZIP Codes, at least 50% of all mortgaged homes are still underwater.

10.4 million people live in the 395 hardest-hit ZIP codes.

43% of the 395 hardest-hit ZIP codes have median household incomes below \$40,000.

HARDEST-HIT PEOPLE: COMMUNITIES OF COLOR

In 71 of the 100 hardest-hit cities, African Americans and Latinos account for at least 40% of the population.

In 146 of the 395 hardest-hit ZIP codes, African Americans and Latinos account for at least 75% of the population.

In 64% of the 395 hardest-hit ZIP codes, African Americans and Latinos accounted for at least half of the population.

EXECUTIVE SUMMARY

CONTRARY TO THE CLAIMS OF MANY observers that the recent rise in housing prices is solving the nation's foreclosure and related economic crises, millions of families continue to face financial devastation from which many may never recover. This report examines national trends that are leaving many families behind and identifies the most troubled geographic “hot spots”—metro areas, cities, and neighborhoods in all regions of the country—where a significant portion of families are still “underwater,” which means they owe more on their mortgages than their homes are worth.

Despite home prices rising in many parts of the country, the total value of owner-occupied housing still remains \$3.2 trillion below 2006 levels. Despite rising home prices, there are still some 9.8 million households underwater, representing 19.4 percent of all mortgaged homes—nearly one out of every five such homes. Underwater homeowners are significantly more likely to default on their mortgages than homeowners with positive equity.

In the first report of its kind, we analyze negative equity and foreclosure data together with race and income data, at the ZIP code level, the city level and the metropolitan area level. The report shows that if we drill down to the neighborhood level, a startling number of communities across the country still face very high underwater rates.

The report also clearly shows that the legacy of predatory lending has resulted in a disproportionately negative impact on African American and Latino communities. For example, of the 100 cities with the highest underwater rates, in 71 of them the population is more than 40 percent African American and Latino.

Almost five million families have lost their homes to foreclosure since 2008, and foreclosures continue at rates higher than prior to the Great Recession. For African Americans and Latinos specifically, between 2005 and 2009, they experienced a decline in household wealth of 52 percent and 66 percent, respectively, compared to 16 percent for whites. This reflects, in large part, disparities in foreclosure rates among these groups, since for most Americans, and particularly for people of color, their homes are their largest source of wealth. Homeownership constituted 92 percent of the net worth for African Americans and 67 percent for Latinos, compared to 58 percent for whites.

While some communities across the country have benefited from rising home prices, this upward trend is expected to slow down dramatically in 2014, which means the hot spots that have been left behind by the recovery are not likely to see their fortunes substantially improve any time soon. Market forces alone will not bring the recovery to these severely impacted communities.



KEY FINDINGS

- In the 15 hardest-hit metropolitan areas with populations over one million, between 23 percent and 35 percent of homeowners are underwater.
- One in ten Americans live in the 100 hardest-hit cities where the number of underwater homeowners ranges from 22 percent to 56 percent.
- More than 10 million Americans live in the 395 ZIP codes where between 43 percent and 76 percent of homeowners are underwater.
- In those metropolitan areas, cities, and zip codes that have been hardest-hit, African Americans and Latinos constitute a far higher share of the population than they represent in the total population in the US.
- In the 100 hardest-hit cities with populations over 100,000, the number of underwater homeowners ranges from 22 percent to 56 percent.
 - In 71 of these cities, African Americans and Latinos account for at least 40 percent of the population.
 - In 66 of these cities the median household income is below \$50,000 (the national median is \$51,371).
 - In 2013, more than 320,000 homeowners in these cities went into default or foreclosure.
- In the 395 hardest-hit ZIP codes with populations over 5,000, between 43 percent and 76 percent of homeowners are underwater.
 - In almost two-thirds of these ZIP codes, African Americans and Latinos account for at least half of the residents.
 - In 71 percent the median household income is below \$50,000.
 - In 2013, nearly 113,000 homeowners in these ZIP codes went into default or foreclosure.
- The eleven states with the highest number of hardest-hit ZIP codes

are (in order): Georgia, Florida, Illinois, Michigan, Ohio, New Jersey, Maryland, Missouri, California, Nevada, and North Carolina.

RECOMMENDATIONS

The housing crisis is far from over for the families living in these hot spots. Despite a wide variety of federal initiatives and some voluntary programs, the crisis in hard-hit communities has not been resolved, primarily because one of the most effective tools—principal reduction to bring mortgages to their current market values—has been little utilized. We need bold intervention to make up for the shortcomings and inadequacies at the federal level.

Here are some key steps that should be taken immediately to address this crisis and ensure an equitable recovery for all homeowners:

1. Loan holders—banks, government sponsored enterprises (i.e., Fannie Mae and Freddie Mac, which are regulated by the Federal Housing Finance Agency, FHFA), and investors—should reduce the principal on underwater mortgages to current market values.
2. If loan holders are unwilling or unable to reduce the principal on underwater mortgages to current market values, they should allow these loans to be purchased by publicly-owned or nonprofit entities that are willing to restructure them with fair and affordable terms.
3. Local municipalities should use all options at their disposal to facilitate the goal of resetting mortgages to current market values, including the use of “reverse eminent domain” (the program proposed in Richmond, California and elsewhere) to acquire mortgages in order to restructure them with fair and affordable terms.

4. Banks, government sponsored enterprises like Fannie Mae and Freddie Mac, and investors that own vacant homes that have already been foreclosed upon should sell them to publicly-owned or nonprofit entities that can convert them to affordable housing units for residents of the community instead of selling them to speculators.
5. Local municipalities should use all options at their disposal to facilitate the goal of turning vacant, foreclosed homes into affordable housing. This includes the use of “reverse eminent domain” to acquire properties in order to convert them to affordable housing units for residents of the community and to prevent them from being purchased by speculators.

INTRODUCTION

THE GREAT RECESSION—the worst economic crisis since the Great Depression—formally ended in June 2009, but the recovery has been extremely slow. Unemployment rates remained above 8 percent from February 2009 through August 2012, and did not drop below 7 percent until December 2013. Moreover, the number of people unemployed six months or longer has remained unprecedentedly high. Home prices did not bottom out until early 2012. Mortgage delinquencies and foreclosures did not start to diminish until 2012.

Now, foreclosures and mortgage delinquencies are down compared to the worst months of the crisis. Nationally, unemployment has dropped. But many places throughout the country have seen little improvement. Residents in those places are still living in recession conditions.

In fact, the overall “post-recession” narrative is misleading. Foreclosures and mortgage delinquencies may be down since the peak in 2009, but they have yet to return to pre-crisis levels (Orton 2013). For millions of families who have lost their homes to foreclosure, are currently behind on their mortgage payments, or remain underwater, the nightmare persists.

Many journalists and pundits tout the fact that housing prices are once again rising as evidence that the housing market is recovering. “Rising home prices rescue underwater homeowners,” proclaimed a headline in *USA Today*. (Schmit 2013). “The strength of the housing recovery is benefiting the distressed portion of the market, clearing it up more quickly,” claimed an article in *Bloomberg* (Gopal 2013). An op-ed column in the *Los Angeles Times* recommended “A free-market fix to the nation’s housing hangover,” (Gelinas 2011). These are all housing versions of the cliché that “a rising tide lifts all boats.”

This report documents that this celebration is premature and misleading. Many boats are not rising. They are **UNDERWATER**. They are more likely to drown than to be rescued by a rising tide. The so-called “recovery” has bypassed many parts of the country. In those places, housing prices are still dangerously below where they were when the housing bubble burst in 2007.

There are still many metropolitan areas, cities, and communities where a significant portion of homeowners owe more on their mortgages than their homes are worth. Not surprisingly, many of these places—which we call “**HOT SPOTS**”—have a significant proportion of African American and Latino families, since banks and other mortgage lenders had targeted communities of color with high-risk predatory loans during the peak years of the housing bubble. This report identifies the nation’s most troubled hot spots in order to draw attention to a serious problem that will not be fixed by waiting for market forces to save families from drowning.

This report examines the 15 metropolitan areas, 100 cities, and 395 ZIP

codes with the worst “underwater” housing problem. These are the hot spots where housing prices have fallen the most, where the highest proportion of homeowners has “negative equity,” and where entire communities are at risk, fiscally and socially, because of these conditions. It is in these areas that public officials must act boldly before the disaster gets any worse.

THE UNDERWATER MORTGAGE CRISIS

“Underwater” homes are those where the homeowners have negative equity, which means they owe more on their mortgages than the market value of their homes. Underwater homeowners are 150 percent to 200 percent more likely to default on their mortgages than those with positive equity in their homes (Ocwen Financial 2011).

According to Zillow, more than 9.8 million American households, representing 19.4 percent of all mortgaged homes, were still underwater on their mortgages as of December 31, 2013 (Gudell 2014). Zillow looks at current outstanding loan amounts for individual owner-occupied homes and compares them to those homes’ current estimated values.¹

Depressed home prices combined with the most severe recession since the 1930s caused millions of families to lose their homes, and millions more are still at risk of foreclosure because they owe far more on their mortgages than what their homes are worth. Furthermore, many of these homeowners are locked into predatory “adjustable rate” loans with interest rates that will jump up, putting them at even greater risk of eventually defaulting on their mortgages.

From September 2008 through the end of 2013, approximately 4.9 mil-

¹ Zillow is the only data source that uses current outstanding loan balances on all mortgages when calculating negative equity. Other reports estimate current outstanding loan balance based on the most recent loan on a property (i.e., the original loan amount at time of purchase or refinance).

lion families lost their homes to foreclosure. Between 2010 and 2013, another 1.3 million families lost their homes to short sales. American households lost an estimated \$7 trillion in household wealth between 2006 and 2011 as a result of the housing crisis (Federal Reserve 2012). In 2012 the national homeownership rate fell for the eighth year in a row (Joint Center for Housing Studies 2013: 3).

In 2011, 31 percent of all homeowners (23.6 million owner households) were cost-burdened—they paid more than 30 percent of their income for housing. Among those, 13.6 percent of homeowners (9.3 million) were severely cost-burdened, paying more than 50 percent of their income for housing (U.S. Department of Housing and Urban Development 2013). All of these families are hanging by a thread and remain vulnerable to default and foreclosure.

Although recent increases in home prices have reduced the ranks of underwater homeowners over the past year, there is little likelihood that market forces, on their own, will solve the problem. The idea that all these families need to do is wait for the housing recovery to come to their city or neighborhood is a false premise. More direct action must be taken.

RISING HOME PRICES

Nationally, after adjusting for differences in home size and quality, housing prices increased by 103 percent from March 2000 to their peak in July 2006. Once the housing bubble burst, one year later, home prices plummeted and did not show any sign of recovery until mid-2012. Not since the Great Depression did home prices fall so dramatically. At their lowest point, in March 2012, prices had declined by 35 percent from their peak levels. Prices have recovered somewhat since then, but as of January 2014, the most recent date for which data are available, they were still 20 percent below their peak levels (S&P/Case-Shiller Home Price Indexes 2014).

The total value of owner-occupied housing in the U.S. decreased from

\$22.6 trillion in 2006 to \$15.9 trillion in 2011, a drop of \$6.7 trillion. As of 2013 the total value had rebounded to \$19.4 trillion, but it is still \$3.2 trillion below the 2006 level.

Equally important, the rise in home prices that has been occurring recently is expected to slow down dramatically in 2014. Clear Capital forecasts that home prices nationally will rise by only 3.4 percent in 2014, about the historical average (Clear Capital 2014). *Kiplinger's Personal Finance* expects an increase of 4 percent. (Esswein 2014)

These are the national trends. In many local areas, the downturn was more severe and the recovery has either been far slower or hollow, including metro areas as varied as Detroit, Miami, Las Vegas, Atlanta, and Chicago (S&P/Case-Shiller Home Price Indexes 2013). As the so-called recovery slows in 2014, these hot spots are not likely to see their fortunes change in the near future.

Furthermore, in some of these metro areas, cities, and ZIP codes, housing prices may have risen, but not primarily as a result of market forces, as that concept is traditionally understood. That is, it is not a matter of individual homebuyers re-entering the market and engaging in voluntary exchanges with willing sellers, resulting in higher prices commensurate with the growing demand. Instead, large investment firms and hedge funds have been purchasing properties in the hardest-hit areas in large quantities, often at fire-sale prices, pushing up home prices in those markets. The largest private equity firm in the world, the Blackstone Group, is now the nation's largest owner of single-family rental homes. It bought 1,400 houses in Atlanta in a single day.

These practices may have artificially boosted home prices, but they have also made local housing markets even more volatile. The investors are making a large profit renting the properties, but continuing to drain wealth from these communities (Gottesdiener 2013; Gittelsohn and Perlberg 2013). As prices rise, ordinary buyers have been priced out of the

Table 1

Total Value of U.S. Owner-Occupied Housing

2006	\$22.6 trillion
2011	\$15.9 trillion
2013	\$19.4 trillion

Source: Board of Governors of the Federal Reserve System, "Table B.100: Balance Sheet of Households and Nonprofit Organizations"

market. Consequently, demand and prices have increased in rental units, particularly in the nation's hardest-hit communities.

PREDATORY LENDING, RACIAL DISCRIMINATION, AND LOST WEALTH

These losses in housing are not randomly distributed across the population. There are geographic hot spots where the problem is particularly dire. Many of these hot spots are areas with a significant population of African American and Latino homeowners who were targets of abusive and reckless banking practices, including an epidemic of subprime loans with predatory features. Banks, private mortgage companies, and mortgage brokers preyed on homeowners in low-income and minority areas. They did not just target low-income African American and Latino families; they also targeted middle-class African American and Latino families who lived in neighborhoods with high proportions of minority families.

As **TABLE 2** reveals, at the height of the housing bubble in 2007, African Americans and Latinos were much more likely to be rejected for conventional mortgage loans than whites. These differences cannot be explained by income differences among the racial groups. African Americans and Latinos with similar incomes as whites were nevertheless rejected for conventional loans at a much higher rate.²

As **TABLE 3** reveals, African Americans and Latinos were also much more likely to receive high-priced (subprime) loans. These differences, too, cannot be explained by the fact that, overall, whites have higher incomes than African Americans and Latinos because African Americans and Latinos with similar incomes as whites were much more likely to have subprime loans.³ This pattern suggests that lenders often rejected African American and Latino consumers for conventional mortgages at a much higher rate than they rejected white consumers, even when they were eligible for conventional loans. Once this occurred, lenders often steered many African Americans and Latinos into taking subprime mortgages (Kochar, Gonzalez-Barrera, and Dockterman 2009).

These patterns and practices occurred in cities across the country and were carried out by a wide variety of lenders. In 2012, for example, the U.S. Department of Justice reached a \$175 million settlement with Wells Fargo over its discriminatory lending practices. That settlement set aside \$125 million in compensation to African American and Latino borrowers whom the lender had steered into subprime mortgages or to whom it had charged higher fees and interest rates than comparable white borrowers,

2 Tables 2 and 3 are based on data from Rakesh Kochar, [Ana Gonzalez-Barrera](#), and [Daniel Dockterman](#). 2009. "Loans for Home Purchase in 2007." Washington, D.C.: Pew Research Center, May 12. <http://www.pewhispanic.org/2009/05/12/iv-loans-for-home-purchase-in-2007>

3 Some have argued that the reason that African Americans and Latinos were more likely than whites to be rejected for conventional loans is that they were less credit worthy than whites, even those with comparable incomes. However the Federal Reserve Bank of Boston conducted a study of mortgage lending that took credit-worthiness into account and concluded that lenders practiced racial discrimination even when credit worthiness was comparable. Munnell (1996), Ards (2001) and Carr (1993).

Table 2

Loans Originated or Denied as a Percentage of Loan Applications for Home Purchase, 2007

	RATIO OF INCOME TO MEDIAN INCOME IN METRO AREA						
	ALL	<0.5	0.5 TO 0.75	0.75 TO 1	1 TO 1.25	1.25 TO 1.5	<=1.5
Loans Originated as Percent of Applications							
Total	63.7	57.7	65.3	65.6	65.4	65.8	63.4
Hispanic	50.4	53.6	58.0	54.7	52.2	50.5	57.1
White	70.5	64.6	72.0	72.6	72.8	73.5	71.2
Black	46.9	45.8	51.7	50.2	47.7	47.5	43.8
Loans Denied as Percent of Applications							
Total	16.6	24.8	17.3	16.0	15.5	14.8	15.7
Hispanic	26.1	29.0	23.1	24.0	25.2	26.0	27.7
White	12.1	19.7	12.9	11.6	10.9	10.0	10.8
Black	30.4	34.5	28.1	28.0	29.4	29.3	32.0

Note: Sample includes conventional loans for 1-to-4-family home purchase for owner occupancy, first liens only. The total includes racial and ethnic groups not shown separately. Source: Pew Hispanic Center tabulations of Home Mortgage Disclosure Act (HMDA) data.

Table 3

Higher-Priced Loans as Percent of All Loans Originated, 2006 and 2007

	RATIO OF INCOME TO MEDIAN INCOME IN METRO AREA						
	All	<0.5	0.5 to 0.75	0.75 to 1	1 to 1.25	1.25 to 1.5	>=1.5
2007							
Total	14.2	20.2	16.2	15.0	14.1	12.8	10.9
Hispanic	27.6	26.8	25.8	27.2	28.1	28.0	26.6
White	10.5	16.8	12.6	11.3	10.5	9.3	7.6
Black	33.5	35.5	32.4	34.0	35.1	33.8	30.6
2006							
Total	25.3	30.4	28.8	28.0	26.3	24.2	20.8
Hispanic	44.9	39.7	43.6	47.8	49.5	48.6	43.8
White	17.5	24.3	21.9	20.4	18.2	15.8	12.8
Black	52.8	55.0	56.2	56.5	55.9	53.1	48.5

Note: Higher-priced loans have annual percentage rates that exceed the rate on U.S. Treasury securities of comparable maturity by a specified threshold (3 percentage points for first-lien loans).

Sample includes conventional loans for 1-to-4-family home purchase for owner occupancy, first liens only. The total includes racial and ethnic groups not shown separately. Source: Pew Hispanic Center tabulations of Home Mortgage Disclosure Act (HMDA) data.

and \$50 million for down payment assistance to borrowers in communities where the Department identified large numbers of discrimination victims. Among the evidence cited in this case were statements by Wells Fargo loan officers who referred to subprime loans as “ghetto loans” for “mud people.” (U.S. Department of Justice 2012; Relman 2013.)

Between 2005 and 2009, overall wealth among African Americans and Latinos declined by 53 percent and 66 percent, respectively, compared to 16 percent for whites (Kochar, Fry, and Taylor 2011). Among the vast majority of Americans, and particularly for people of color, their homes are their biggest asset and the largest source of wealth. Homeownership constitutes 92 percent of the net worth for African Americans and 67 percent for Latinos, compared to 58 percent for whites (Tippet et al. 2014: 4). The disparities in foreclosure rates among home loan borrowers between 2004 and 2008 – 11 percent for African Americans, 14 percent for Latinos, and 6 percent for whites (Bocian et al. 2012) – therefore likely helped contribute to this discrepancy in wealth loss.

THE HOT SPOTS

THIS REPORT DOCUMENTS where the most serious housing crises persist. It identifies those metropolitan areas, cities, and ZIP codes that face the most extreme levels of lost equity, where the most underwater homes are located, and where families are most acutely vulnerable to foreclosure. In brief, below are the hot spots that are under the greatest stress.

HARDEST-HIT METROPOLITAN AREAS

We first examined the 15 hardest-hit major metropolitan areas with populations over one million. The 15 metropolitan areas span across 16 states. In these 15 areas—Las Vegas, Atlanta, Jacksonville, Orlando, Chicago, Tampa, Detroit, Miami, Memphis, Virginia Beach, Riverside, Kansas City, St. Louis, Cleveland, Milwaukee—between 23 percent and 35 percent of homeowners have negative equity (see **TABLE 4**). In these troubled metropolitan areas, home prices remain up to 45 percent below their peak levels.

HARDEST-HIT CITIES

In the 100 hardest-hit cities (those with populations over 100,000), between 22 percent and 56 percent of homeowners have negative equity.

A full 57 of these cities still have at least 30 percent of mortgaged homes **UNDERWATER**.

Almost one in ten Americans (28.7 million) lives in these 100 cities. There are more than 320,000 homes in these cities that went into default or foreclosure in 2013. Home prices in these cities remain up to 57 percent below their peak levels. In eight of these cities, home prices are still more than 50 percent below their peak levels. In another 23 cities, home prices are between 40 percent and 49 percent below their peak. In other words, in 31 out of the 100 hardest-hit cities, home prices are still at least 40 percent below their peak levels.

TABLE 5 lists the 10 hardest-hit cities in the U.S. with populations over 100,000. Appendix B has the full list of the top 100 hardest-hit cities.

The 100 hardest-hit cities are located in 27 states, but some states have more troubled cities than others. Eighteen cities in California—Richmond, Sacramento, Stockton, Vallejo, Antioch, Victorville, Lancaster, San

Table 4

15 Hardest-Hit Major Metropolitan Areas

Metro Area	Percent of Homes Underwater
Las Vegas, NV	35%
Atlanta, GA	35%
Jacksonville, FL	34%
Orlando, FL	30%
Chicago, IL-IN-WI	30%
Tampa, FL	29%
Detroit, MI	28%
Miami, FL	27%
Memphis, TN-MS-AR	27%
Virginia Beach, VA-NC	25%
Riverside, CA	24%
Kansas City, MO-KS	24%
St. Louis, MO-IL	24%
Cleveland, OH	24%
Milwaukee, WI	23%

THE 15 HARDEST HIT-MAJOR METROPOLITAN AREAS



These are the 15 metropolitan areas with more than 1 million residents that have the highest share of underwater mortgages in the country.

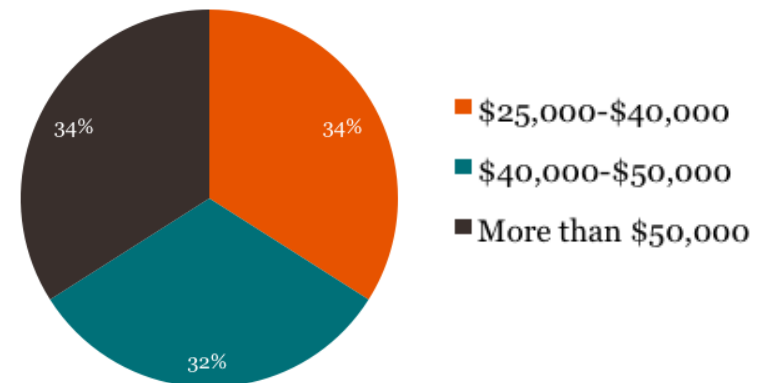
Table 5**The Ten Hardest-Hit Cities**

City	Percent of Homes Underwater	# of Homes in Foreclosure or Default in 2013
Hartford, CT	56%	723
Newark, NJ	54%	1,346
Elizabeth, NJ	53%	567
Paterson, NJ	49%	858
Detroit, MI	47%	4,830
Warren, MI	44%	927
Dayton, OH	43%	3,399
Miami Gardens, FL	43%	726
North Las Vegas, NV	43%	2,648
Bridgeport, CT	42%	1,571

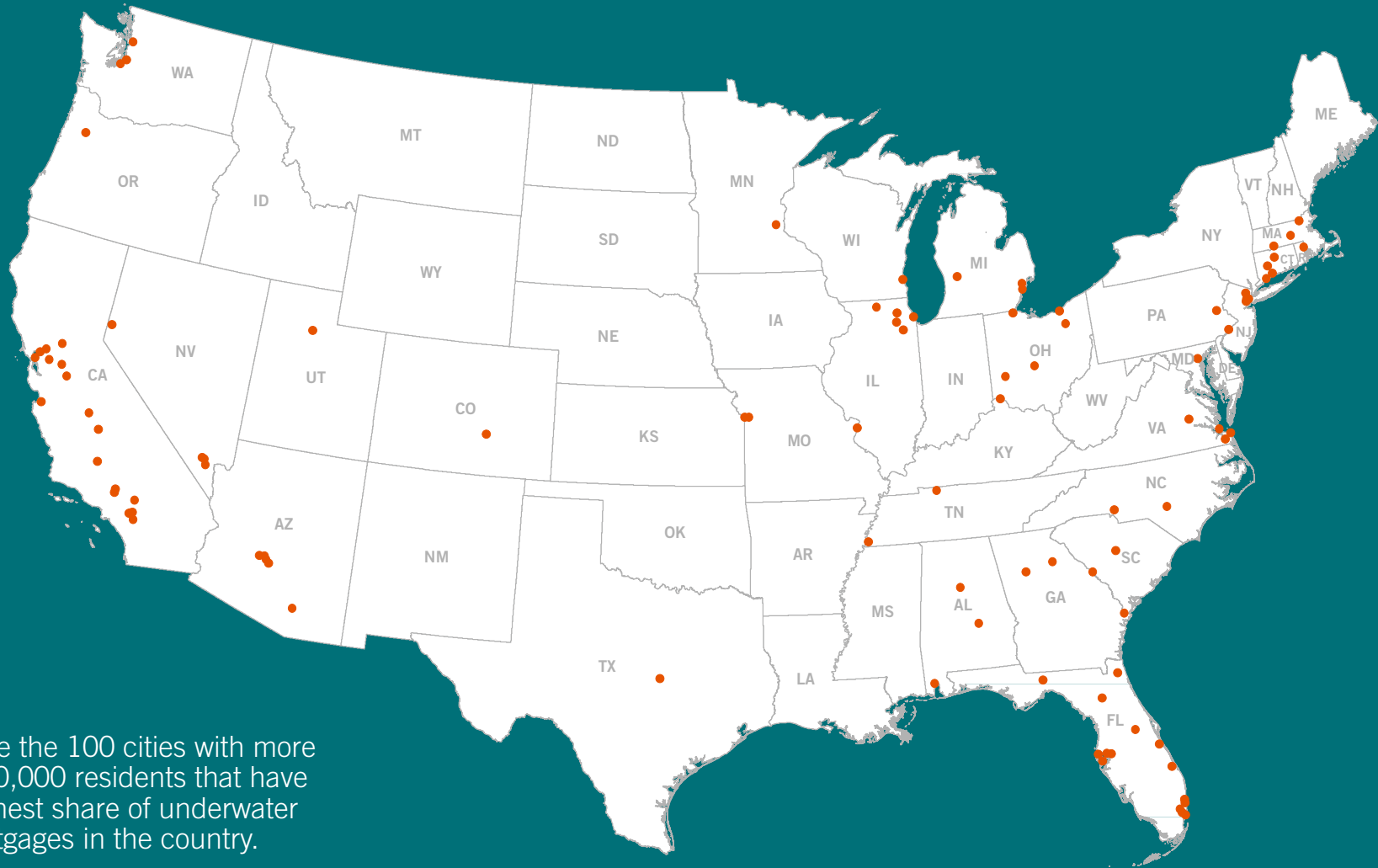
The data on underwater homes is based on Zillow's Negative Equity Report for the end of 2013. The default and foreclosure data was prepared by Americans for Financial Reform and is based on data from RealtyTrac. It includes the total number of unique properties that received a notice of default, lis pendens, notice of trustee sale, or a notice of foreclosure sale in 2013, or that became a real-estate owned property following foreclosure. Because ZIP code boundaries are not always fully aligned with city limits, these numbers should be treated as estimates rather than precise figures.

Bernardino, Palmdale, Visalia, Fresno, Moreno Valley, Modesto, Fairfield, Bakersfield, Rialto, Fontana, and Salinas—are among the nation's 100 hardest-hit cities. Sixteen cities in Florida are among the 100 hardest-hit. These are Miami Gardens, Palm Bay, Jacksonville, Port Saint Lucie, Hialeah, Miramar, Orlando, Tampa, Brandon, Tallahassee, Gainesville, Saint Petersburg, Miami, Pompano Beach, Clearwater, and Fort Lauderdale. Ohio has six of the nation's hardest-hit cities. Five cities in both Illinois and Arizona rank among the nation's underwater hot spots.

The overwhelming majority of these cities are lower-income communities, with median household incomes below the national median of \$51,371. In fact, as **FIGURE 1** illustrates, two-thirds of the 100 hardest-hit cities have median incomes below \$50,000, and 34 percent have median incomes below \$40,000. The hardest-hit city of all, Hartford, CT, is also one of the poorest, with a median household income of just \$28,931. The so-called recovery has left behind lower-income communities.

Figure 1**Median Household Incomes of the 100 Hardest-Hit Cities**

100 HARDEST-HIT CITIES



These are the 100 cities with more than 100,000 residents that have the highest share of underwater mortgages in the country.

What also distinguishes the 100 hardest-hit cities is that almost all of them have African American and Latino populations that are significantly higher than their representation in the nation as a whole or in their metropolitan areas. As **FIGURE 2** shows, in 14 of the 100 hardest-hit cities, African Americans and Latinos comprise more than 75 percent of population. In another 38 cities, these two groups comprise between 50 percent and 75 percent of the city populations. In another 19 cities, they make up between 40 percent and 50 percent of city populations. In other words, in 71 of the 100 hardest-hit cities, African Americans and Latinos account for at least 40 percent of the residents. This is not surprising because—as noted earlier—banks and mortgage brokers targeted African American and Latino neighborhoods, homebuyers, and mortgage consumers with predatory and subprime mortgages.

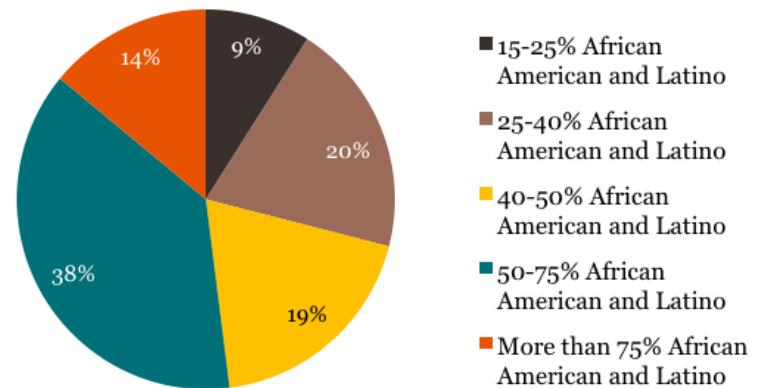
Even in those hard-hit cities with the highest median household incomes, African Americans and Latinos comprise a significant proportion of the city population. In Chesapeake, VA, with a median household income of \$70,244, African Americans and Latinos account for 36 percent of residents. In Fairfield, CA (\$66,363), these two groups comprise 44 percent of the population. In Henderson, NV, a suburb of Las Vegas with a median household income of \$66,141, they constitute 21 percent of residents. In Antioch, CA (\$65,494), 53 percent of residents are African American and Latino. In Fontana, CA (\$64,195), 78 percent of residents fit that description. African Americans and Latinos account for 84 percent of the population of Miramar, Florida, whose median household income of \$63,898 is substantially higher than the national figure.

HARDEST-HIT ZIP CODES

Within every city, however, some neighborhoods are worse than others and many have been particularly hard-hit by the housing crash and not lifted up by the broader recent trend of rising home prices. These communities were the most devastated victims of Wall Street's predatory and

Figure 2

Percentage of African Americans and Latinos in the 100 Hardest-Hit Cities

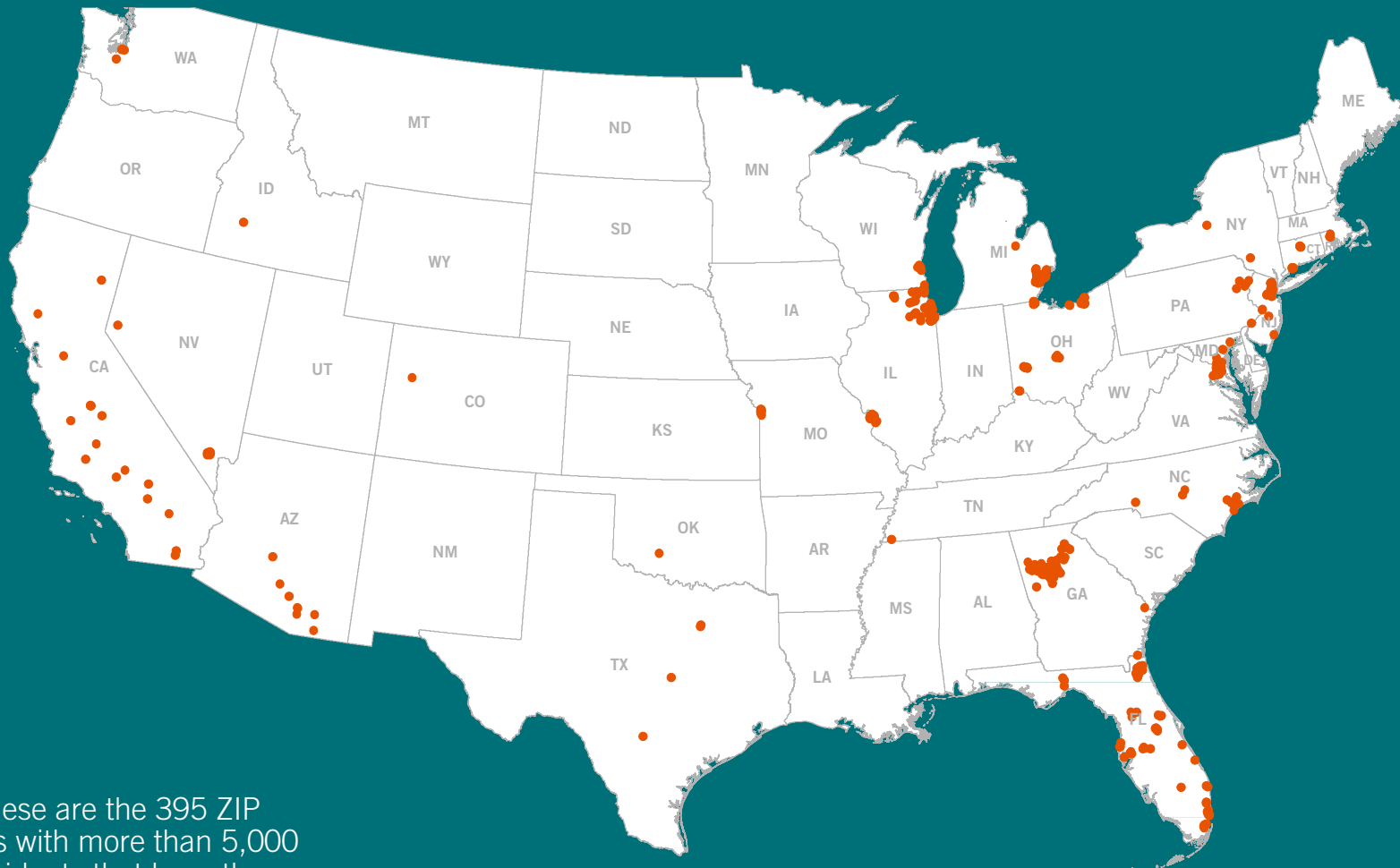


subprime lending practices. They are now among the worst hot spots in terms of the proportion of families who are underwater and unlikely to survive without assistance.

To identify the hardest-hit neighborhoods, we examined the 500 ZIP codes with the highest percentage of homes with negative equity. There are 29,762 general ZIP codes in the entire country. ZIP codes vary in size from a handful of residents to more than 100,000 residents. The average population size is roughly 7,500. To remove ZIP codes that are in primarily commercial areas, we eliminated the ZIP codes with fewer than 5,000 residents. That left 395 residential ZIP codes with the highest percentage of homes with negative equity. These 395 ZIP codes are home to more than 10.4 million people.

In the 395 hardest-hit ZIP codes, between 43 percent and 76 percent of

395 HARDEST-HIT ZIP CODES



These are the 395 ZIP codes with more than 5,000 residents that have the highest share of underwater mortgages in the country

homeowners have negative equity. Home prices in these 395 ZIP codes remain up to 66 percent below their peak levels. Among these 395 ZIP codes, the median decline of home prices is 41 percent. There nearly 113,000 homes in just these 395 ZIP codes that went into default or foreclosure in 2013. Appendix C contains the full list of the 395 hardest-hit ZIP codes.

The median household incomes of the 395 hardest-hit ZIP codes range from \$9,895 (ZIP code 43604 in Toledo, OH) to \$118,622 (ZIP code 20607 in Accokeek, Maryland near Washington, DC), but the vast majority of hardest-hit ZIP codes have median household incomes significantly below the national figure of \$51,371. As **FIGURE 3** shows, 32 (8 percent) of the 395 ZIP codes had median household incomes below \$25,000. Another 137 (35 percent) ZIP codes had median household incomes between \$25,000 and \$40,000. Another 111 (28 percent) ZIP codes had median household incomes between \$40,000 and \$50,000.⁴ In total, 71 percent of the hardest-hit ZIP codes had median household incomes below \$50,000.

Again, not surprisingly, what distinguishes the 395 hardest-hit ZIP codes is that almost all of them have African American and Latino populations significantly higher than their representation in the nation as a whole or in their metropolitan areas. They represent an even higher proportion of residents than that in the hardest-hit 100 cities.

As **FIGURE 4** shows, in 146 of the 395 hardest-hit ZIP codes, African Americans and Latinos comprise more than 75 percent of the population. In another 107 ZIP codes, these two groups comprise between 50 percent and 75 percent of the populations. In other words, in almost two-thirds (64 percent) of the 395 hardest-hit ZIP codes, African Americans and Latinos account for at least half of the residents. Once again we see the severe consequences of the banking industry's predatory practices of targeting African American and Latino neighborhoods,

⁴ We could not identify the median household incomes for two of the ZIP codes.

Figure 3

Median Household Income in the 395 Hardest-Hit ZIP Codes

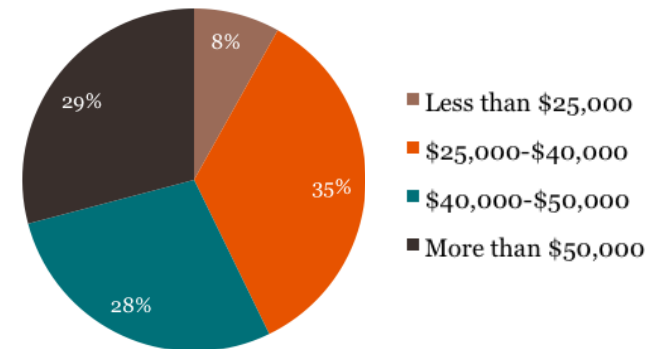


Figure 4

Percentage of African Americans and Latinos in the 395 Hardest-Hit ZIP Codes

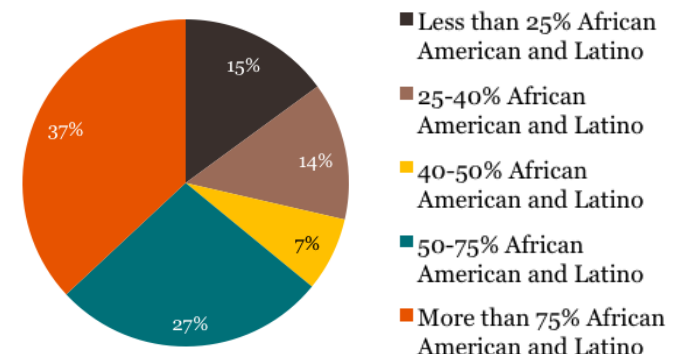


Table 6**States with Large Numbers of Hardest-Hit ZIP Codes**

Georgia	61
Florida	55
Illinois	47
Michigan	38
Ohio	33
New Jersey	32
Maryland	24
Missouri	21
California	17
Nevada	10
North Carolina	10



homebuyers, and mortgage consumers.

The 395 hardest-hit ZIP codes are found in 23 states. They are not all located in central cities. Quite a few are found in suburbs and in small towns in rural areas. **TABLE 6** shows the states with particularly high numbers of hardest-hit ZIP codes.

These 395 hardest-hit ZIP codes, however, are just the tip of the iceberg. There are thousands of neighborhoods in hundreds of cities that have been devastated by the housing crash and have no prospects of significant improvement. It is in these neighborhoods that the epidemic of foreclosures and the tide of underwater mortgages have had the worst impact. These are just some of the nation's hot spots that continue to suffer in the wake of the recession and ongoing housing problems in the U.S. These findings reveal that these crises are hardly over. Market forces and federal initiatives are clearly not solving the problems. Local actors are understandably trying to address what the federal government and other forces have been unable to resolve. The findings, unfortunately, demonstrate why such local actions are necessary.

RECOMMENDATIONS

THE FEDERAL GOVERNMENT HAS LAUNCHED several programs in efforts to ameliorate the foreclosure and delinquency rates and the costs associated with the bursting of the housing bubble. They include an alphabet soup of anti-foreclosure efforts and Federal Reserve lending programs.⁵ The Justice Department and other federal and state law enforcement agencies have also settled several cases totaling billions of dollars, most notably a \$13 billion settlement with JPMorgan Chase. One projection estimates that the total cost of these settlements will exceed \$50 billion (Silver-Greenberg and Eavis 2014).

But these efforts have been woefully insufficient, and with widespread reports of a housing recovery, there is a real danger that the political will to take steps to fix the housing crisis will quickly dissipate. However, the crisis is far from over in the areas that have been hit the hardest.

Consequently several local communities have started to take matters into their own hands. In a growing number of cities, local officials and community residents are considering using the tool of eminent domain to purchase, at fair market value, mortgages on selected underwater homes and refinancing those loans to current market value for existing occupants so that more families can stay in their homes (Hockett 2013; Dewan 2014).

These efforts are understandable given the continued hardships faced by millions of families and the communities in which they reside. As the

⁵ These include Home Affordable Modification Program (HAMP), Home Affordable Refinance Program (HARP), Home Affordable Unemployment Program (HAUP), Hardest Hit Funds (HHF), Term Auction Facility (TAF), Term Asset-Backed Securities Loan Facility (TALF), Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility (AMLF), Commercial Paper Funding Facility (CPFF), and the Primary Dealer Credit Facility (PDCF), among others.

Joint Center for Housing Studies recently observed,

[T]he foreclosure crisis has exacerbated the distress in many low-income neighborhoods, spreading blight and straining the ability of local governments to invest in those areas. Indeed, governments at all levels face difficult choices between bringing budgets into balance in response to short-term economic woes and addressing longer-term structural challenges. In making these choices, however, policymakers cannot lose sight of the important role that housing plays in ensuring the health and well-being of a nation's households and communities. (Joint Center for Housing Studies 2013: 6).

We need bold action to ensure that any recovery does not leave behind the communities living in these hot spots. There are steps that local communities, in conjunction with public and private financial service organizations and government regulators, could take to more effectively address the crisis and ensure an equitable recovery for all homeowners. We need bold action to ensure that any recovery does not leave behind the communities living in these hot spots. There are steps that local communities, in conjunction with public and private financial service organizations and government regulators, could take to more effectively address the crisis and ensure an equitable recovery for all homeowners. Here are some key steps that should be taken immediately to address the crisis and ensure and equitable recovery for all homeowners:

1. Loan holders—banks, government sponsored enterprises (i.e., Fannie Mae and Freddie Mac, which are regulated by the Federal Housing Finance Agency, FHFA), and investors—should reduce the principal on underwater mortgages to current market values.
2. If loan holders are unwilling or unable to reduce the principal on underwater mortgages to current market values, they

should allow these loans to be purchased by publicly-owned or nonprofit entities that are willing to restructure them with fair and affordable terms.

3. Local municipalities should use all options at their disposal to facilitate the goal of resetting mortgages to current market values, including the use of “reverse eminent domain” (the program proposed in Richmond, California and elsewhere) to acquire mortgages in order to restructure them with fair and affordable terms.
4. Banks, government sponsored enterprises like Fannie Mae and Freddie Mac, and investors that own vacant homes that have already been foreclosed upon should sell them to publicly-owned or nonprofit entities that can convert them to affordable housing units for residents of the community instead of selling them to speculators.
5. Local municipalities should use all options at their disposal to facilitate the goal of turning vacant, foreclosed homes into affordable housing. This includes the use of “reverse eminent domain” to acquire properties in order to convert them to affordable housing units for residents of the community and to prevent them from being purchased by speculators.

The financial challenges that millions of families continue to face in the wake of the foreclosure crisis will not fade with rising prices in the nation’s housing markets. These problems persist particularly, but not only, in low-income and minority communities throughout all regions of the U.S. Predictions are difficult. The future depends largely on those policy decisions that are made, and sometimes not made. But there are steps that communities can take, preferably in partnership with private and nonprofit organizations and government agencies at all levels, to ameliorate these costs.



15 Metro Areas with the Highest Incidence of Negative Equity (see Data Source Notes on p. 37)

Rank	Metro Area	Percent of Homes Underwater	Percent Below Peak Home Prices	Population	Percent African American and Latino	Median Household Income
1	Las Vegas, NV	35%	45%	2,000,000	41%	\$54,218
2	Atlanta, GA	35%	22%	5,300,000	44%	\$57,470
3	Jacksonville, FL	34%	31%	1,300,000	30%	\$52,881
4	Orlando, FL	30%	42%	2,100,000	43%	\$49,263
5	Chicago, IL-IN-WI	30%	27%	9,500,000	39%	\$61,367
6	Tampa, FL	29%	38%	2,800,000	29%	\$46,606
7	Detroit, MI	28%	33%	4,300,000	28%	\$51,903
8	Miami, FL	27%	41%	5,600,000	63%	\$48,582
9	Memphis, TN-MS-AR	27%	10%	1,300,000	51%	\$47,477
10	Virginia Beach, VA-NC	25%	15%	1,700,000	38%	\$59,293
11	Riverside, CA	24%	36%	4,200,000	56%	\$55,928
12	Kansas City, MO-KS	24%	11%	2,000,000	22%	\$56,826
13	St. Louis, MO-IL	24%	16%	2,800,000	22%	\$54,109
14	Cleveland, OH	24%	19%	2,100,000	26%	\$48,952
15	Milwaukee, WI	23%	12%	1,600,000	27%	\$53,966

100 Cities with the Highest Incidence of Negative Equity (see Data Source Notes on p. 37)

Rank	City	State	Percent Of Homes Undewater	Percent Below Peak Home Prices	Homes In Default or Foreclosure 2013	Population	Percent African American and Latino	Median Household Income
1	Hartford	CT	56%	35%	723	124,879	83%	\$28,931
2	Newark	NJ	54%	N/A	1,346	276,478	89%	\$34,387
3	Elizabeth	NJ	52%	49%	567	124,795	81%	\$43,590
4	Paterson	NJ	49%	40%	858	145,655	92%	\$33,583
5	Detroit	MI	47%	57%	4,830	721,459	90%	\$26,955
6	Warren	MI	44%	45%	927	134,550	16%	\$44,982
7	Dayton	OH	43%	32%	3,399	142,670	46%	\$28,595
8	Miami Gardens	FL	43%	51%	726	107,884	100%	\$42,742
9	North Las Vegas	NV	43%	49%	2,648	215,762	61%	\$55,466
10	Bridgeport	CT	42%	39%	1,571	144,446	75%	\$39,822
11	Cleveland	OH	41%	38%	8,060	397,972	64%	\$26,556
12	Palm Bay	FL	41%	52%	2,300	102,814	34%	\$44,470
13	Joliet	IL	40%	29%	1,816	147,098	44%	\$61,948
14	Toledo	OH	40%	34%	3,199	287,487	37%	\$33,374
15	Jacksonville	FL	40%	36%	13,982	823,652	40%	\$48,143
16	Milwaukee	WI	40%	32%	4,998	594,328	59%	\$35,823
17	Killeen	TX	40%	18%	697	127,995	61%	\$44,799
18	Victorville	CA	40%	52%	1,005	115,069	66%	\$52,165
19	Elgin	IL	39%	39%	1,646	109,513	53%	\$58,487
20	Waterbury	CT	39%	32%	1,190	110,074	55%	\$40,867
21	Aurora	IL	38%	33%	2,355	196,569	53%	\$62,589
22	Rockford	IL	36%	33%	2,206	152,948	39%	\$38,157
23	Hampton	VA	36%	17%	694	137,471	57%	\$51,584
24	Providence	RI	36%	40%	890	178,185	57%	\$38,243
25	Vallejo	CA	36%	53%	792	116,417	47%	\$60,764
26	Atlanta	GA	36%	27%	5,439	425,931	60%	\$46,146
27	Las Vegas	NV	35%	46%	14,399	587,699	44%	\$52,601
28	Port Saint Lucie	FL	35%	52%	3,902	163,748	36%	\$49,236
29	Stockton	CA	35%	55%	2,234	292,262	54%	\$47,246
30	Chicago	IL	34%	28%	22,842	2,702,471	62%	\$47,408
31	Tucson	AZ	34%	34%	3,897	521,695	48%	\$36,939

100 Cities with the Highest Incidence of Negative Equity (cont.)

Rank	City	State	Percent Of Homes Undewater	Percent Below Peak Home Prices	Homes In Default or Foreclosure 2013	Population	Percent African American and Latino	Median Household Income
32	Jersey City	NJ	34%	26%	979	248,435	55%	\$58,308
33	Hialeah	FL	34%	48%	5,597	226,837	98%	\$30,883
34	Lancaster	CA	33%	47%	1,405	155,496	59%	\$51,719
35	San Bernardino	CA	33%	49%	1,266	210,624	76%	\$39,097
36	Memphis	TN	33%	25%	3,242	651,050	70%	\$36,817
37	Allentown	PA	33%	28%	1,313	117,942	57%	\$35,549
38	Miramar	FL	33%	42%	N/A	121,447	84%	\$63,898
39	Akron	OH	33%	25%	3,305	199,955	36%	\$33,598
40	Palmdale	CA	32%	49%	1,287	151,841	71%	\$54,277
41	Baltimore	MD	32%	22%	6,523	620,644	69%	\$40,803
42	Birmingham	AL	32%	16%	2,105	213,180	77%	\$31,467
43	Augusta	GA	32%	17%	917	195,646	61%	\$38,714
44	Saint Louis	MO	31%	23%	4,511	318,527	54%	\$34,384
45	Tacoma	WA	31%	27%	3,021	200,013	26%	\$50,439
46	Orlando	FL	31%	47%	11,520	240,185	56%	\$42,418
47	Visalia	CA	31%	41%	695	123,905	48%	\$53,718
48	Columbus	OH	31%	19%	7,316	790,168	35%	\$43,992
49	Fresno	CA	31%	44%	2,589	495,777	56%	\$42,276
50	Henderson	NV	31%	41%	2,766	258,270	21%	\$66,141
51	Tampa	FL	30%	39%	10,521	339,391	51%	\$43,514
52	Brandon	FL	30%	36%	1,154	102,555	41%	\$54,904
53	Savannah	GA	30%	20%	1,228	137,690	61%	\$34,888
54	Springfield	MA	30%	19%	443	153,278	64%	\$35,163
55	Moreno Valley	CA	30%	45%	1,160	193,758	74%	\$55,872
56	Fayetteville	NC	30%	7%	757	200,439	54%	\$44,756
57	Tallahassee	FL	30%	23%	2,049	181,821	42%	\$39,649
58	Gainesville	FL	29%	30%	1,305	124,981	34%	\$32,145
59	New Haven	CT	29%	26%	687	129,898	63%	\$38,482
60	Independence	MO	29%	16%	797	116,513	16%	\$44,847
61	Kent	WA	29%	27%	1,046	108,700	30%	\$58,477
62	Modesto	CA	29%	49%	1,302	201,986	42%	\$49,205
63	Fairfield	CA	29%	43%	552	105,407	44%	\$66,363
64	Bakersfield	CA	29%	41%	2,399	347,091	55%	\$54,265
65	Antioch	CA	29%	47%	807	102,575	53%	\$65,494
66	Richmond	CA	28%	48%	468	104,225	67%	\$54,657

100 Cities with the Highest Incidence of Negative Equity (cont.)

Rank	City	State	Percent Of Homes Undewater	Percent Below Peak Home Prices	Homes In Default or Foreclosure 2013	Population	Percent African American and Latino	Median Household Income
67	Mobile	AL	28%	26%	1,349	195,239	54%	\$38,722
68	Reno	NV	28%	42%	1,724	226,305	28%	\$47,814
69	Saint Petersburg	FL	28%	35%	4,732	245,363	32%	\$44,756
70	Worcester	MA	28%	26%	443	181,473	33%	\$45,679
71	Montgomery	AL	27%	18%	990	205,516	61%	\$43,390
72	Cincinnati	OH	27%	17%	5,581	297,314	49%	\$33,708
73	Everett	WA	27%	22%	1,191	103,135	23%	\$47,491
74	Miami	FL	27%	31%	31,122	401,927	91%	\$29,762
75	Richmond	VA	27%	9%	1,582	205,348	58%	\$39,445
76	Charlotte	NC	27%	10%	5,920	740,931	49%	\$52,916
77	Chesapeake	VA	26%	15%	995	223,233	36%	\$70,244
78	Philadelphia	PA	26%	13%	10,140	1,525,811	57%	\$37,016
79	Virginia Beach	VA	26%	14%	2,100	439,528	28%	\$65,980
80	Columbia	SC	26%	N/A	2,288	129,757	49%	\$40,550
81	Salem	OR	26%	20%	366	154,835	22%	\$45,564
82	Pompano Beach	FL	26%	48%	7,123	100,819	48%	\$39,656
83	Sacramento	CA	26%	35%	3,820	467,467	43%	\$50,661
84	Rialto	CA	25%	39%	562	100,009	85%	\$49,428
85	Clarksville	TN	25%	3%	645	133,583	35%	\$47,305
86	Kansas City	MO	25%	N/A	2,200	459,772	42%	\$45,150
87	Glendale	AZ	25%	37%	1,678	229,331	44%	\$50,567
88	Athens	GA	25%	14%	385	116,353	38%	\$33,596
89	Clearwater	FL	25%	35%	1,964	108,138	24%	\$42,427
90	Surprise	AZ	24%	36%	952	115,007	24%	\$59,973
91	Fontana	CA	24%	37%	1,181	196,129	78%	\$64,195
92	Phoenix	AZ	24%	34%	7,180	1,462,368	47%	\$47,866
93	West Valley City	UT	24%	17%	N/A	129,123	36%	\$52,524
94	Salinas	CA	24%	50%	476	150,634	77%	\$50,587
95	Pueblo	CO	24%	13%	1,010	106,944	54%	\$35,176
96	Grand Rapids	MI	23%	18%	1,389	189,340	40%	\$39,070
97	Fort Lauderdale	FL	23%	33%	12,784	167,370	46%	\$50,191
98	Peoria	AZ	23%	33%	918	154,566	25%	\$63,940
99	Lowell	MA	22%	21%	217	106,739	25%	\$51,714
100	Saint Paul	MN	22%	21%	2,836	286,171	27%	\$46,305

395 ZIP Codes with the Highest Incidence of Negative Equity (see Data Source Notes on p. 37)

Rank	ZIP Code	City/State	Percent of Homes Underwater	Percent Below Peak Home Prices	Homes In Default or Foreclosure	Population	Percent African American and Latino	Median Household Income
1	30273	Rex, GA	76%	56%	252	15,462	81%	\$49,321
2	30296	Riverdale, GA	76%	58%	394	28,047	89%	\$47,564
3	30274	Riverdale, GA	75%	59%	366	32,386	85%	\$39,989
4	30238	Irondale, GA	73%	N/A	702	35,570	82%	\$46,109
5	48201	Detroit, MI	71%	23%	13	9,980	67%	\$14,017
6	30297	Forest Park, GA	71%	61%	215	27,019	69%	\$31,599
7	30058	Lithonia, GA	71%	48%	778	53,870	95%	\$47,237
8	30291	Union City, GA	69%	49%	247	18,329	89%	\$40,598
9	30294	Conley, GA	69%	48%	588	37,865	85%	\$59,634
10	30035	Stone Mountain, GA	68%	56%	253	20,106	92%	\$45,008
11	30038	Lithonia, GA	67%	46%	577	37,554	95%	\$48,310
12	78252	San Antonio, TX	67%	25%	57	8,308	83%	\$44,379
13	30349	Riverdale, GA	67%	51%	874	66,760	95%	\$44,873
14	30260	Morrow, GA	66%	57%	201	25,697	65%	\$43,432
15	30088	Stone Mountain, GA	66%	49%	348	28,058	92%	\$51,394
16	30288	Conley, GA	66%	N/A	98	10,593	87%	\$50,428
17	30016	Covington, GA	65%	45%	363	51,113	52%	\$50,072
18	30034	Panthersville, GA	65%	52%	505	44,338	95%	\$50,100
19	48240	Redford, MI	65%	63%	217	17,533	22%	\$51,942
20	07114	Newark, NJ	63%	N/A	47	12,667	88%	\$17,251
21	06114	Hartford, CT	63%	35%	177	28,516	75%	\$33,210
22	48207	Detroit, MI	63%	N/A	50	18,580	88%	\$23,662
23	30168	Austell, GA	63%	39%	202	27,797	84%	\$40,230
24	30213	Fairburn, GA	63%	43%	428	28,337	85%	\$55,941
25	48239	Redford, MI	62%	57%	415	36,005	40%	\$53,692
26	48225	Harper Woods, MI	62%	61%	178	14,685	42%	\$43,727
27	89030	North Las Vegas, NV	61%	N/A	369	49,513	87%	\$33,148
28	07107	Newark, NJ	61%	N/A	195	36,211	91%	\$34,197
29	06106	Hartford, CT	61%	35%	219	36,969	81%	\$26,640
30	30228	Hampton, GA	61%	44%	565	36,799	58%	\$58,341
31	43215	Columbus, OH	60%	7%	26	12,082	20%	\$37,275
32	48021	Eastpointe, MI	60%	58%	347	32,599	32%	\$44,312

395 ZIP Codes with the Highest Incidence of Negative Equity (cont.)

Rank	ZIP Code	City/State	Percent of Homes Underwater	Percent Below Peak Home Prices	Homes In Default or Foreclosure	Population	Percent African American and Latino	Median Household Income
33	30083	Stone Mountain, GA	60%	51%	512	49,707	83%	\$43,666
34	30236	Jonesboro, GA	60%	47%	414	42,978	69%	\$45,907
35	28574	Richlands, NC	59%	13%	113	13,162	18%	\$43,659
36	63137	Bellefontaine Neighbors, MO	59%	46%	219	20,635	76%	\$36,121
37	30344	East Point, GA	59%	51%	303	32,510	86%	\$40,751
38	08611	Trenton, NJ	59%	40%	224	28,143	80%	\$42,732
39	07102	Newark, NJ	58%	N/A	23	9,917	79%	\$24,438
40	89101	Las Vegas, NV	58%	N/A	222	43,572	75%	\$26,082
41	18466	Coolbaugh, PA	58%	48%	234	18,375	55%	\$56,752
42	30310	Atlanta, GA	58%	57%	305	24,465	92%	\$25,307
43	07206	Elizabeth, NJ	58%	53%	198	25,223	90%	\$39,851
44	20747	District Heights, MD	58%	46%	344	39,589	95%	\$59,812
45	32808	Pine Hills, FL	58%	60%	775	51,315	81%	\$36,252
46	30032	Candler-Mcafee, GA	57%	60%	363	46,855	91%	\$36,230
47	60409	Calumet City, IL	57%	48%	772	36,687	84%	\$42,332
48	48141	Inkster, MI	57%	57%	204	25,869	79%	\$29,141
49	48340	Pontiac, MI	56%	53%	135	25,413	58%	\$30,820
50	30179	Temple, GA	56%	31%	174	17,655	9%	\$54,280
51	32811	Orlando, FL	56%	60%	418	37,066	78%	\$35,255
52	08629	Trenton, NJ	56%	43%	134	12,621	69%	\$57,261
53	32219	Jacksonville, FL	56%	40%	238	12,069	55%	\$46,836
54	30311	Atlanta, GA	56%	55%	227	34,267	97%	\$29,947
55	30122	Lithia Springs, GA	56%	37%	177	24,520	62%	\$46,394
56	48030	Hazel Park, MI	55%	56%	152	16,676	11%	\$35,042
57	07108	Newark, NJ	55%	N/A	162	25,362	98%	\$29,040
58	33605	Tampa, FL	55%	57%	338	16,543	89%	\$28,636
59	30313	Atlanta, GA	55%	39%	40	6,269	55%	\$27,762
60	98597	Yelm, WA	55%	28%	248	20,007	8%	\$60,847
61	07202	Elizabeth, NJ	55%	54%	133	41,500	75%	\$44,349
62	85756	Tucson, AZ	55%	40%	157	32,801	63%	\$48,142
63	48146	Lincoln Park, MI	55%	54%	372	38,202	19%	\$42,433
64	07112	Newark, NJ	55%	N/A	179	25,202	99%	\$39,689
65	48184	Wayne, MI	55%	55%	124	17,708	20%	\$41,325
66	48202	Detroit, MI	55%	51%	79	16,407	84%	\$19,992
67	48089	Warren, MI	55%	53%	290	30,803	17%	\$38,755
68	30331	Atlanta, GA	55%	46%	636	55,950	97%	\$44,962
69	43612	Toledo, OH	55%	39%	428	30,605	17%	\$40,372

395 ZIP Codes with the Highest Incidence of Negative Equity (cont.)

Rank	ZIP Code	City/State	Percent of Homes Underwater	Percent Below Peak Home Prices	Homes In Default or Foreclosure	Population	Percent African American and Latino	Median Household Income
70	30314	Atlanta, GA	55%	54%	134	21,627	90%	\$23,657
71	44137	Maple Heights, OH	55%	45%	533	23,304	70%	\$38,388
72	62206	Cahokia, IL	54%	43%	187	16,888	64%	\$32,252
73	06112	Hartford, CT	54%	38%	171	23,853	88%	\$31,754
74	33815	Lakeland, FL	54%	49%	86	14,566	48%	\$31,180
75	30134	Douglasville, GA	54%	39%	440	43,509	48%	\$53,936
76	30106	Austell, GA	54%	35%	191	18,452	61%	\$53,160
77	30354	Atlanta, GA	54%	50%	106	14,171	81%	\$27,514
78	20743	Coral Hills, MD	54%	43%	405	36,992	97%	\$58,748
79	20746	Suitland-Silver Hill, MD	54%	41%	191	28,278	92%	\$61,246
80	60073	Round Lake Beach, IL	54%	44%	1045	56,468	45%	\$64,528
81	53218	Milwaukee, WI	54%	43%	476	40,752	70%	\$34,356
82	31407	Port Wentworth, GA	54%	25%	88	9,052	41%	\$60,631
83	48066	Roseville, MI	54%	55%	373	47,590	13%	\$41,668
84	48015	Center Line, MI	54%	53%	61	8,448	13%	\$34,049
85	07201	Elizabeth, NJ	54%	52%	128	24,689	78%	\$46,031
86	60443	Matteson, IL	54%	38%	460	20,259	76%	\$64,709
87	48122	Melvindale, MI	54%	58%	81	10,699	31%	\$38,282
88	07203	Roselle, NJ	54%	48%	218	20,990	81%	\$56,098
89	33035	Homestead, FL	53%	N/A	633	8,481	68%	\$60,193
90	07106	Newark, NJ	53%	N/A	205	31,908	91%	\$46,347
91	13202	Syracuse, NY	53%	N/A	1	5,134	61%	\$13,920
92	48125	Dearborn Heights, MI	53%	54%	168	20,953	13%	\$47,674
93	07513	Paterson, NJ	53%	44%	68	11,787	96%	\$41,241
94	32208	Jacksonville, FL	53%	49%	671	32,195	80%	\$33,168
95	32218	Jacksonville, FL	53%	39%	1019	54,714	51%	\$52,638
96	33610	Tampa, FL	53%	54%	534	38,475	76%	\$31,721
97	48221	Detroit, MI	53%	60%	384	41,732	95%	\$41,362
98	28546	Jacksonville, NC	53%	12%	244	41,932	34%	\$48,614
99	34690	Holiday, FL	53%	58%	295	12,501	8%	\$36,307
100	89115	Las Vegas, NV	53%	N/A	366	62,458	71%	\$35,974
101	30281	Stockbridge, GA	53%	33%	545	61,970	48%	\$56,794
102	30337	College Park, GA	53%	43%	62	11,750	87%	\$34,739
103	89106	Las Vegas, NV	53%	60%	217	27,905	81%	\$30,211
104	63138	Spanish Lake, MO	53%	40%	177	21,647	76%	\$34,790
105	60653	Chicago, IL	53%	34%	397	30,072	94%	\$25,222
106	08232	Pleasantville, NJ	53%	50%	236	18,776	77%	\$41,796

395 ZIP Codes with the Highest Incidence of Negative Equity (cont.)

Rank	ZIP Code	City/State	Percent of Homes Underwater	Percent Below Peak Home Prices	Homes In Default or Foreclosure	Population	Percent African American and Latino	Median Household Income
107	48091	Warren, MI	53%	54%	260	30,860	19%	\$37,943
108	93505	California City, CA	52%	N/A	152	14,006	40%	\$49,699
109	45405	Dayton, OH	52%	39%	219	19,247	64%	\$28,959
110	07104	Newark, NJ	52%	N/A	204	51,506	96%	\$37,364
111	20774	Kettering, MD	52%	40%	445	45,087	90%	\$93,265
112	28539	Hubert, NC	52%	12%	88	14,627	16%	\$47,114
113	20616	Bryans Road, MD	52%	35%	85	5,978	55%	\$88,730
114	60099	Zion, IL	52%	41%	520	31,996	49%	\$57,356
115	07502	Paterson, NJ	52%	37%	115	16,248	73%	\$50,267
116	60085	Waukegan, IL	52%	47%	783	69,607	76%	\$42,020
117	60654	Chicago, IL	52%	12%	99	13,425	12%	\$93,406
118	44110	Cleveland, OH	52%	37%	291	20,852	82%	\$23,351
119	32254	Jacksonville, FL	51%	51%	280	14,426	68%	\$29,042
120	60466	Park Forest, IL	51%	40%	513	22,555	64%	\$47,621
121	60545	Plano, IL	51%	34%	284	12,834	32%	\$66,801
122	07105	Newark, NJ	51%	N/A	132	49,768	49%	\$42,361
123	33619	Palm River-Clair Mel, FL	51%	51%	581	34,222	66%	\$35,469
124	20603	Waldorf, MD	51%	35%	260	28,842	55%	\$100,655
125	30093	Norcross, GA	51%	38%	246	53,602	77%	\$37,233
126	32244	Jacksonville, FL	51%	41%	1264	61,617	45%	\$48,425
127	53209	Milwaukee, WI	51%	42%	468	46,083	69%	\$33,656
128	61104	Rockford, IL	51%	56%	276	16,992	38%	\$23,862
129	30012	Conyers, GA	51%	40%	269	28,467	58%	\$46,051
130	93701	Fresno, CA	51%	58%	43	11,133	79%	\$19,928
131	07503	Paterson, NJ	51%	40%	105	19,961	68%	\$40,455
132	92277	Twentynine Palms, CA	51%	45%	201	23,623	25%	\$43,471
133	20785	Greater Landover, MD	51%	42%	288	36,269	90%	\$64,054
134	63147	Saint Louis, MO	51%	43%	90	12,048	95%	\$33,035
135	30554	Lula, GA	51%	39%	92	7,720	12%	\$46,067
136	93721	Fresno, CA	51%	N/A	21	6,837	76%	\$20,132
137	63134	Berkeley, MO	50%	34%	111	14,296	66%	\$34,646
138	44123	Euclid, OH	50%	45%	341	16,091	47%	\$41,442
139	95422	Clearlake, CA	50%	59%	159	15,302	29%	\$28,501
140	60087	Waukegan, IL	50%	44%	366	28,563	58%	\$59,476
141	07018	East Orange, NJ	50%	N/A	178	28,717	96%	\$38,132
142	60471	Richton Park, IL	50%	34%	309	13,294	81%	\$60,186
143	63136	Jennings, MO	50%	38%	430	47,431	87%	\$33,657

395 ZIP Codes with the Highest Incidence of Negative Equity (cont.)

Rank	ZIP Code	City/State	Percent of Homes Underwater	Percent Below Peak Home Prices	Homes In Default or Foreclosure	Population	Percent African American and Latino	Median Household Income
144	32210	Jacksonville, FL	50%	46%	1087	57,150	36%	\$47,186
145	20772	Greater Upper Marlboro, MD	50%	38%	423	43,292	83%	\$100,077
146	60804	Cicero, IL	50%	53%	892	84,135	90%	\$44,699
147	43604	Toledo, OH	50%	21%	19	7,797	71%	\$9,895
148	30253	McDonough, GA	50%	27%	526	49,326	50%	\$62,151
149	75134	Lancaster, TX	50%	30%	132	19,925	88%	\$48,884
150	60626	Chicago, IL	50%	38%	413	52,045	49%	\$41,427
151	60411	Chicago Heights, IL	50%	40%	984	58,198	72%	\$45,075
152	81635	Parachute, CO	49%	45%	62	6,544	18%	\$59,173
153	85629	Sahuarita, AZ	49%	36%	178	20,879	30%	\$72,925
154	07514	Paterson, NJ	49%	41%	102	19,746	91%	\$40,085
155	63103	Saint Louis, MO	49%	27%	32	5,235	44%	\$31,421
156	20602	Waldorf, MD	49%	37%	311	24,604	56%	\$78,794
157	60406	Blue Island, IL	49%	44%	283	25,495	76%	\$42,432
158	44117	Euclid, OH	49%	43%	164	11,006	69%	\$28,484
159	43227	Columbus, OH	49%	33%	403	22,856	68%	\$38,431
160	31548	Kingsland, GA	49%	27%	188	19,205	23%	\$51,939
161	33128	Miami, FL	49%	48%	74	7,921	98%	\$20,495
162	33142	Miami, FL	49%	61%	739	53,146	102%	\$24,227
163	30153	Rockmart, GA	49%	41%	153	17,694	16%	\$45,051
164	20640	Indian Head, MD	49%	38%	120	9,478	38%	\$69,899
165	34668	Port Richey, FL	49%	57%	1083	43,251	12%	\$32,871
166	34472	Ocala, FL	49%	54%	716	26,959	37%	\$37,272
167	93702	Fresno, CA	49%	61%	185	45,889	78%	\$30,454
168	63031	Florissant, MO	49%	39%	397	49,068	28%	\$54,881
169	60473	South Holland, IL	49%	36%	473	21,809	81%	\$60,378
170	63135	Ferguson, MO	49%	38%	218	22,563	59%	\$39,053
171	60469	Posen, IL	49%	46%	102	5,752	76%	\$55,015
172	34474	Ocala, FL	49%	48%	184	15,053	30%	\$40,627
173	07524	Paterson, NJ	48%	42%	79	12,365	96%	\$37,705
174	48215	Detroit, MI	48%	N/A	72	15,243	93%	\$21,777
175	02909	Providence, RI	48%	47%	244	40,431	68%	\$33,583
176	92233	Calipatria, CA	48%	N/A	12	10,029	83%	\$33,821
177	60160	Melrose Park, IL	48%	51%	241	25,180	76%	\$43,429
178	63033	Florissant, MO	48%	37%	318	41,678	58%	\$54,540
179	32211	Jacksonville, FL	48%	44%	539	31,113	43%	\$41,453
180	60136	Gilberts, IL	48%	34%	108	6,275	22%	\$90,512

395 ZIP Codes with the Highest Incidence of Negative Equity (cont.)

Rank	ZIP Code	City/State	Percent of Homes Underwater	Percent Below Peak Home Prices	Homes In Default or Foreclosure	Population	Percent African American and Latino	Median Household Income
181	53216	Milwaukee, WI	48%	43%	368	32,117	85%	\$32,756
182	89403	Dayton, NV	48%	52%	235	13,600	15%	\$52,462
183	98424	Fife, WA	48%	29%	107	10,358	23%	\$59,646
184	60661	Chicago, IL	48%	14%	40	6,792	14%	\$89,114
185	45416	Trotwood, OH	48%	37%	82	6,075	76%	\$36,048
186	30021	Clarkston, GA	48%	42%	84	21,561	67%	\$32,004
187	20613	Brandywine, MD	48%	38%	112	12,733	62%	\$106,103
188	30039	Snellville, GA	48%	30%	581	40,043	61%	\$67,310
189	44119	Cleveland, OH	48%	39%	216	12,631	47%	\$40,346
190	32202	Jacksonville, FL	48%	N/A	62	5,945	64%	\$14,504
191	33313	Lauderhill, FL	48%	55%	1107	54,656	89%	\$35,464
192	33716	Saint Petersburg, FL	48%	59%	75	13,236	21%	\$46,602
193	30008	Marietta, GA	48%	33%	244	31,038	69%	\$43,392
194	48033	Southfield, MI	48%	49%	116	16,275	70%	\$44,558
195	32304	Tallahassee, FL	48%	37%	169	39,232	49%	\$19,688
196	27505	Broadway, NC	48%	4%	7	6,116	25%	\$42,420
197	30529	Commerce, GA	48%	25%	77	11,683	15%	\$44,736
198	48602	Saginaw, MI	48%	42%	290	29,846	36%	\$34,811
199	32222	Jacksonville, FL	48%	33%	172	9,169	32%	\$61,025
200	33032	Princeton, FL	48%	55%	1039	32,837	84%	\$46,072
201	07111	Irvington, NJ	48%	N/A	458	54,449	96%	\$41,959
202	48186	Westland, MI	48%	42%	343	37,119	19%	\$48,624
203	20601	Waldorf, MD	48%	35%	270	25,497	54%	\$93,671
204	53204	Milwaukee, WI	48%	45%	169	41,452	82%	\$26,265
205	20695	White Plains, MD	48%	31%	81	7,342	49%	\$99,434
206	32305	Tallahassee, FL	48%	38%	283	19,196	55%	\$36,715
207	33801	Lakeland, FL	48%	52%	287	34,002	30%	\$35,023
208	64130	Kansas City, MO	48%	37%	141	21,104	93%	\$26,656
209	30620	Bethlehem, GA	48%	24%	115	11,550	24%	\$60,945
210	28540	Jacksonville, NC	47%	13%	223	52,065	31%	\$43,525
211	48135	Garden City, MI	47%	47%	255	27,523	8%	\$55,084
212	45406	Dayton, OH	47%	38%	223	21,342	84%	\$30,799
213	44132	Euclid, OH	47%	41%	240	15,105	55%	\$39,196
214	48204	Detroit, MI	47%	53%	167	29,003	98%	\$24,343
215	43219	Columbus, OH	47%	32%	363	26,679	80%	\$33,462
216	60162	Hillside, IL	47%	43%	139	8,203	68%	\$55,994

395 ZIP Codes with the Highest Incidence of Negative Equity (cont.)

Rank	ZIP Code	City/State	Percent of Homes Underwater	Percent Below Peak Home Prices	Homes In Default or Foreclosure	Population	Percent African American and Latino	Median Household Income
217	64134	Kansas City, MO	47%	26%	244	21,552	67%	\$40,196
218	30507	Gainesville, GA	47%	41%	196	29,487	53%	\$49,026
219	30680	Winder, GA	47%	23%	385	37,586	21%	\$50,565
220	20735	Clinton, MD	47%	39%	397	35,692	84%	\$98,117
221	20710	Bladensburg, MD	47%	47%	46	9,523	94%	\$46,497
222	63074	Saint Ann, MO	47%	34%	100	15,588	27%	\$39,745
223	28555	Maysville, NC	47%	12%	41	5,659	28%	\$43,871
224	89110	Las Vegas, NV	47%	N/A	644	76,905	66%	\$47,375
225	64132	Kansas City, MO	47%	37%	101	12,963	85%	\$26,452
226	33805	Lakeland, FL	47%	52%	194	23,016	59%	\$33,786
227	33147	West Little River, FL	47%	62%	806	42,683	100%	\$29,545
228	43609	Toledo, OH	47%	30%	262	23,720	39%	\$29,675
229	33033	Homestead, FL	47%	57%	1452	49,481	82%	\$42,443
230	89104	Las Vegas, NV	47%	59%	338	33,059	56%	\$38,431
231	53225	Milwaukee, WI	47%	37%	173	23,745	56%	\$39,125
232	48237	Oak Park, MI	47%	50%	185	29,642	55%	\$46,168
233	33054	Miami Gardens, FL	47%	56%	581	29,424	99%	\$27,241
234	33190	Cutler Bay, FL	47%	44%	399	8,977	80%	\$46,435
235	48210	Detroit, MI	47%	42%	93	29,938	76%	\$25,161
236	75241	Dallas, TX	47%	29%	154	26,668	97%	\$29,079
237	48214	Detroit, MI	47%	52%	108	22,769	91%	\$25,613
238	07501	Paterson, NJ	47%	41%	160	30,362	91%	\$24,353
239	34473	Ocala, FL	47%	50%	430	16,739	51%	\$39,443
240	92311	Barstow, CA	47%	55%	247	32,887	53%	\$48,111
241	48341	Pontiac, MI	47%	47%	110	17,112	71%	\$37,117
242	64124	Kansas City, MO	47%	N/A	57	11,990	63%	\$27,357
243	33169	Miami Gardens, FL	47%	51%	1048	38,392	96%	\$47,084
244	30013	Conyers, GA	47%	34%	307	25,011	62%	\$57,110
245	30220	Grantville, GA	47%	27%	62	5,566	28%	\$50,220
246	33415	Greenacres, FL	46%	63%	1029	42,478	60%	\$36,020
247	07055	Passaic, NJ	46%	43%	194	69,143	79%	\$31,032
248	44105	Cleveland, OH	46%	45%	654	40,672	74%	\$28,916
249	30071	Norcross, GA	46%	38%	122	20,951	66%	\$46,001
250	44109	Cleveland, OH	46%	39%	507	43,045	39%	\$32,110
251	53223	Milwaukee, WI	46%	37%	263	29,749	52%	\$44,394
252	07062	Plainfield, NJ	46%	39%	130	12,423	82%	\$55,698

395 ZIP Codes with the Highest Incidence of Negative Equity (cont.)

Rank	ZIP Code	City/State	Percent of Homes Underwater	Percent Below Peak Home Prices	Homes In Default or Foreclosure	Population	Percent African American and Latino	Median Household Income
253	20745	Forest Heights, MD	46%	44%	190	27,423	91%	\$61,011
254	60064	North Chicago, IL	46%	42%	198	18,420	81%	\$38,405
255	48180	Taylor, MI	46%	51%	425	63,231	22%	\$43,559
256	28544	Midway Park, NC	46%	17%	17	5,527	36%	\$35,242
257	07103	Newark, NJ	46%	N/A	199	32,307	91%	\$29,824
258	19032	Folcroft, PA	46%	34%	100	6,623	26%	\$57,462
259	60436	Joliet, IL	46%	33%	233	18,760	49%	\$41,194
260	60538	Montgomery, IL	46%	30%	438	25,208	32%	\$71,458
261	34691	Holiday, FL	46%	57%	526	21,415	15%	\$40,297
262	07208	Elizabeth, NJ	46%	42%	108	32,588	74%	\$49,007
263	45205	Cincinnati, OH	46%	32%	213	21,783	48%	\$28,826
264	33440	Clewiston, FL	46%	60%	129	19,671	67%	\$37,665
265	60020	Fox Lake, IL	46%	39%	214	6,882	6%	\$52,216
266	85123	Casa Grande, AZ	46%	46%	30	6,060	34%	\$46,771
267	30135	Douglasville, GA	46%	32%	661	58,058	39%	\$65,450
268	32805	Orlando, FL	46%	53%	215	23,098	85%	\$25,911
269	60505	Aurora, IL	46%	40%	799	68,751	79%	\$45,230
270	30157	Dallas, GA	46%	28%	415	41,459	20%	\$60,670
271	44055	Lorain, OH	46%	35%	220	19,313	52%	\$29,755
272	32209	Jacksonville, FL	46%	51%	495	35,289	97%	\$23,621
273	95205	Stockton, CA	46%	N/A	215	36,990	73%	\$32,172
274	44128	Cleveland, OH	46%	42%	433	29,210	96%	\$34,945
275	32839	Oak Ridge, FL	46%	59%	473	44,224	70%	\$34,179
276	63115	Saint Louis, MO	46%	38%	129	23,252	99%	\$26,435
277	32327	Crawfordville, FL	46%	30%	353	26,319	19%	\$53,988
278	60110	Carpentersville, IL	46%	35%	626	37,937	56%	\$57,850
279	93560	Rosamond, CA	45%	49%	129	18,603	46%	\$54,151
280	93615	Cutler, CA	45%	N/A	10	5,743	95%	\$30,946
281	44113	Cleveland, OH	45%	15%	80	17,997	44%	\$28,794
282	63114	Overland, MO	45%	35%	295	36,489	32%	\$40,047
283	18324	Lehman Township, PA	45%	N/A	61	7,853	45%	\$60,105
284	30558	Maysville, GA	45%	N/A	50	6,258	12%	\$39,900
285	48034	Southfield, MI	45%	45%	58	13,080	72%	\$42,489
286	38115	Memphis, TN	45%	30%	163	38,545	89%	\$30,160
287	20748	Temple Hills, MD	45%	40%	376	38,798	93%	\$67,046
288	44125	Garfield Heights, OH	45%	43%	491	28,591	27%	\$45,138

34 395 ZIP Codes with the Highest Incidence of Negative Equity (cont.)

Rank	ZIP Code	City/State	Percent of Homes Underwater	Percent Below Peak Home Prices	Homes In Default or Foreclosure	Population	Percent African American and Latino	Median Household Income
289	60438	Lansing, IL	45%	39%	452	28,592	42%	\$51,993
290	60616	Chicago, IL	45%	22%	284	49,469	37%	\$43,815
291	73538	Elgin, OK	45%	1%	7	5,127	10%	\$52,769
292	45404	Dayton, OH	45%	34%	92	11,084	16%	\$27,202
293	32221	Jacksonville, FL	45%	36%	464	26,748	30%	\$56,894
294	60097	Wonder Lake, IL	45%	37%	190	10,732	12%	\$72,916
295	89156	Las Vegas, NV	45%	54%	421	28,374	54%	\$52,252
296	32763	Orange City, FL	45%	54%	313	20,531	20%	\$38,413
297	06606	Bridgeport, CT	45%	39%	607	49,281	62%	\$54,800
298	48238	Detroit, MI	45%	60%	176	33,842	96%	\$24,836
299	30011	Auburn, GA	45%	23%	157	14,530	20%	\$52,604
300	43232	Columbus, OH	45%	26%	630	41,697	58%	\$40,366
301	20707	Laurel, MD	45%	37%	220	31,206	59%	\$75,676
302	98409	Tacoma, WA	45%	31%	309	24,548	31%	\$43,755
303	64126	Kansas City, MO	45%	32%	31	6,000	65%	\$24,563
304	43605	Toledo, OH	45%	33%	279	29,325	28%	\$26,066
305	20770	Greenbelt, MD	45%	42%	124	25,063	62%	\$64,427
306	12754	Town of Liberty, NY	45%	46%	51	7,595	24%	\$43,270
307	32908	Palm Bay, FL	45%	51%	304	10,905	32%	\$43,618
308	53143	Kenosha, WI	45%	28%	277	22,590	29%	\$45,417
309	20784	New Carrollton, MD	45%	46%	222	26,101	87%	\$58,852
310	93210	Coalinga, CA	45%	45%	73	18,708	65%	\$45,976
311	30180	Villa Rica, GA	45%	25%	402	30,959	27%	\$58,750
312	85635	Sierra Vista, AZ	45%	30%	175	35,023	28%	\$51,740
313	02903	Providence, RI	45%	39%	18	9,859	28%	\$22,964
314	32065	Orange Park, FL	45%	33%	552	33,712	24%	\$63,052
315	92227	Brawley, CA	45%	52%	101	26,053	83%	\$37,198
316	60425	Glenwood, IL	45%	35%	190	9,083	72%	\$60,081
317	32818	Pine Hills, FL	45%	52%	682	45,899	75%	\$44,985
318	07504	Paterson, NJ	45%	42%	89	12,875	95%	\$44,279
319	08015	Browns Mills, NJ	45%	30%	186	20,736	32%	\$66,788
320	60415	Chicago Ridge, IL	45%	42%	206	14,310	20%	\$48,983
321	48043	Mount Clemens, MI	45%	49%	112	14,801	27%	\$33,258
322	48075	Southfield, MI	45%	49%	168	21,852	77%	\$58,542
323	30087	Stone Mountain, GA	45%	33%	433	36,753	70%	\$70,927
324	76549	Killeen, TX	45%	20%	282	40,061	56%	\$51,010

395 ZIP Codes with the Highest Incidence of Negative Equity (cont.)

Rank	ZIP Code	City/State	Percent of Homes Underwater	Percent Below Peak Home Prices	Homes In Default or Foreclosure	Population	Percent African American and Latino	Median Household Income
325	44052	Lorain, OH	45%	30%	276	30,901	45%	\$33,655
326	21213	Baltimore, MD	45%	16%	539	31,067	91%	\$34,584
327	45426	Trotwood, OH	45%	35%	173	15,366	75%	\$39,908
328	33319	Lauderhill, FL	45%	57%	1190	45,392	67%	\$38,935
329	34947	Fort Pierce, FL	45%	67%	114	12,732	79%	\$33,010
330	06105	Hartford, CT	45%	31%	77	20,583	67%	\$28,707
331	64129	Kansas City, MO	45%	19%	65	9,707	56%	\$32,954
332	64128	Kansas City, MO	45%	36%	71	11,878	95%	\$23,213
333	60652	Chicago, IL	45%	39%	691	42,334	82%	\$64,284
334	85653	Marana, AZ	44%	35%	191	14,353	36%	\$51,272
335	60042	Island Lake, IL	44%	38%	153	8,719	15%	\$67,944
336	07063	Plainfield, NJ	44%	41%	126	14,693	80%	\$63,707
337	45403	Dayton, OH	44%	35%	155	15,236	22%	\$24,803
338	45410	Dayton, OH	44%	30%	168	15,851	13%	\$33,747
339	60140	Hampshire, IL	44%	30%	243	14,830	16%	\$78,547
340	33880	Winter Haven, FL	44%	50%	393	36,127	34%	\$40,015
341	85706	Tucson, AZ	44%	43%	277	57,076	85%	\$29,556
342	93268	Taft, CA	44%	41%	98	18,924	33%	\$41,598
343	63042	Hazelwood, MO	44%	37%	137	19,008	37%	\$43,276
344	20716	Bowie, MD	44%	33%	170	20,400	65%	\$94,476
345	06610	Bridgeport, CT	44%	41%	313	22,780	77%	\$39,267
346	30223	Griffin, GA	44%	39%	298	35,539	42%	\$37,704
347	33127	Miami, FL	44%	62%	409	31,810	96%	\$25,913
348	28216	Charlotte, NC	44%	22%	561	46,880	68%	\$47,953
349	92356	Lucerne Valley, CA	44%	56%	61	7,174	37%	\$27,137
350	28326	Sanford, NC	44%	5%	34	17,199	35%	\$42,272
351	61101	Rockford, IL	44%	59%	292	23,425	54%	\$28,560
352	30046	Lawrenceville, GA	44%	33%	156	34,482	54%	\$50,250
353	96130	Susanville, CA	44%	43%	159	22,769	26%	\$53,684
354	33461	Palm Springs, FL	44%	63%	648	40,192	63%	\$36,169
355	43203	Columbus, OH	44%	33%	82	8,058	82%	\$18,129
356	48216	Detroit, MI	44%	N/A	18	5,190	76%	\$23,691
357	18210	Penn Forest Township, PA	44%	29%	108	7,044	21%	\$57,405
358	18302	Middle Smithfield Township, PA	44%	41%	159	17,667	34%	\$61,151
359	60629	Chicago, IL	44%	46%	1349	113,864	89%	\$41,982
360	07522	Paterson, NJ	44%	44%	133	20,212	91%	\$31,388

Rank	ZIP Code	City/State	Percent of Homes Underwater	Percent Below Peak Home Prices	Homes In Default or Foreclosure	Population	Percent African American and Latino	Median Household Income
361	98402	Tacoma, WA	44%	32%	39	6,247	25%	\$26,338
362	08861	Perth Amboy, NJ	44%	39%	262	52,615	84%	\$48,477
363	06604	Bridgeport, CT	44%	43%	265	27,288	67%	\$34,475
364	43608	Toledo, OH	44%	26%	200	17,222	66%	\$23,718
365	62205	East Saint Louis, IL	44%	34%	25	9,060	98%	\$21,687
366	02907	Providence, RI	44%	47%	146	27,630	79%	\$33,067
367	32738	Deltona, FL	44%	53%	840	43,491	40%	\$55,098
368	48217	Detroit, MI	44%	42%	55	8,873	93%	\$29,426
369	60163	Berkeley, IL	44%	44%	93	5,176	59%	\$57,465
370	89142	Las Vegas, NV	44%	57%	395	30,863	52%	\$56,951
371	89169	Las Vegas, NV	44%	N/A	170	24,200	58%	\$33,768
372	60632	Chicago, IL	44%	45%	663	87,144	84%	\$41,859
373	48076	Southfield, MI	44%	41%	203	25,268	58%	\$66,751
374	21017	Belcamp, MD	44%	23%	59	7,311	27%	\$81,100
375	60430	Homewood, IL	44%	35%	317	20,137	43%	\$69,579
376	60501	Summit, IL	44%	54%	132	11,501	74%	\$46,914
377	53206	Milwaukee, WI	44%	25%	189	29,193	96%	\$23,121
378	61103	Rockford, IL	43%	41%	357	24,995	34%	\$38,337
379	02863	Central Falls, RI	43%	43%	37	19,331	73%	\$32,509
380	93250	Mc Farland, CA	43%	45%	31	13,748	91%	\$36,211
381	60446	Romeoville, IL	43%	30%	729	38,271	42%	\$67,351
382	20607	Accokeek, MD	43%	36%	106	8,733	70%	\$118,022
383	32226	Jacksonville, FL	43%	34%	311	14,794	18%	\$74,686
384	18301	Stroud Township, PA	43%	40%	191	28,495	31%	\$59,265
385	48203	Detroit, MI	43%	65%	133	29,687	92%	\$22,753
386	85602	Benson, AZ	43%	28%	68	9,001	17%	\$40,898
387	63034	Spanish Lake, MO	43%	35%	150	18,562	57%	\$72,630
388	30141	Hiram, GA	43%	24%	189	22,192	23%	\$56,814
389	32725	Deltona, FL	43%	54%	813	44,502	40%	\$46,822
390	83647	Mountain Home, ID	43%	N/A	33	19,780	18%	\$47,119
391	85017	Phoenix, AZ	43%	N/A	166	42,017	73%	\$30,185
392	60083	Wadsworth, IL	43%	33%	121	8,593	19%	\$99,269
393	28460	North Topsail Beach, NC	43%	22%	62	7,874	4%	\$48,826
394	45204	Cincinnati, OH	43%	30%	60	6,083	37%	\$29,428
395	43205	Columbus, OH	43%	37%	146	12,017	74%	\$22,790

A NOTE ON DATA SOURCES

The data in this report on underwater homes and home prices is based on Zillow's Negative Equity Report for the end of 2013 (Gudell 2014). Zillow only reports data for ZIP codes for which it has a representative sample of homes, so its data set covers roughly 22,000 ZIP codes nationally. There are approximately 30,000 total ZIP codes in the country, excluding P.O. Box ZIP codes. The Zillow data can be accessed through this website: <http://www.zillow.com/research/2013-q4-negative-equity-6371>.

The default and foreclosure data in this report was prepared by Americans for Financial Reform and is based on proprietary data from RealtyTrac's 2013 Foreclosure Market Trend Report. It includes the total number of unique properties that received a notice of default, lis pendens, notice of trustee sale, or a notice of foreclosure sale in 2013, or that became a real-estate owned property following foreclosure. These are all different types of foreclosure filings. Because ZIP code boundaries are not always fully aligned with city limits, the statistics for the number of homes in default or foreclosure at the city level should be treated as estimates rather than precise figures.

The demographic data is from the Census Bureau's 2012 American Community Survey Five-Year Demographic and Housing Estimates. Because of the way that the Census Bureau defines race and ethnicity, individuals who are both African American and Latino may have been counted twice.

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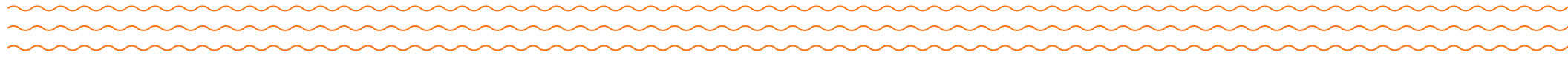
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This report examines national trends that are leaving many families behind and identifies the most troubled geographic “**hot spots**”—metro areas, cities, and neighborhoods in all regions of the country—where a significant portion of families are “**underwater.**”